



## HOME NEWS

## Mrs Williams wins an ovation from her severest critics

From Tim Devlin  
Education Correspondent  
Eastbourne

Mrs Williams, Secretary of State for Education and Science, roused the annual conference of the National Union of Teachers, her severest critics, yesterday, to give her a prolonged standing ovation after an emotional address to an address that lasted 75 minutes.

Seldom has a teachers' conference been so hostile to a Labour Government. Seldom has the NUT's annual conference applauded a Secretary of State so loudly. Her speech ranged widely, more of it dry and dull, but it began to enchant the audience as Mrs Williams weighed in on the education service's detractors.

First she criticized the much publicized recent television programme about Faraday School, at Ealing, London. "To those who know little about our schools, and that is a very large proportion of the population, the programme may, alas, have been taken as typical," she said. But Faraday was not typical. It was in an area with special social difficulties and its staff were entitled to social priority payments.

Referring to the Black Paper published in the week the programme was shown on television, she said it was as usual, heavy with statistics and light on practical solutions, other than turning the clock back to a non-existent golden age.

A widely distorted and negative view on education was being peddled in some quarters. None of the conclusions of the Bullock report on reading and English, nor increasing examination passes got across "to those whose minds are already made up so that they do not need to be confused with facts".

She ended her speech almost overcome with emotion as she said she was in her job not for money or for promotion, but for the children. "Our children cannot be educated again," she said. "Time lost is time lost for ever. I will always listen to any critic of my policies whose criticism is based on the effect those policies will have on the boys and girls we educate. I am dubious about those critics who use children only for their own ends or to prove their own theories."

She said her department's highest priority was to maintain the pupil-teacher ratio. Forcing teachers to become redundant was the worst cut that could be made. And she told a press conference later that she would make those views clear to Oxfordshire education authority, which is planning to make more than 500 teachers redundant.

She paid tribute to the Schools Council, the body set up to give advice on the curriculum and examinations, showing that it is back in favour with the Government after being heavily criticized last year. "I share the council's view that a common system of examining at 16 plus is desirable. How far it is practicable is another matter," she said. The recent regional education conferences had shown that guidelines for a general pattern of the curriculum would be helpful. She was looking for ways of setting up machinery to do that with teachers' associations and local education authorities. She was not going to impose a curriculum on schools. Nor, she told reporters later, was she a "front man" for any mandarins at the Department of Education and Science who wished to do so.

## Call to cut leaving age given support

From Bert Lodge, of  
The Times Educational  
Supplement,  
Torquay

A move seeking to lower the school-leaving age to 15 was defeated at the annual conference of the National Association of Schoolmasters and Union of Women Teachers at Torquay yesterday. But nearly half the delegates voted in favour of age reduction for some pupils, on the ground that such children would be able to complete their final year later.

Mr David Crane, of Gillingham, said that for a small, vociferous minority the fabric of the school gave rise to objections. Provided parents and teachers agreed, that minority would be better off out of school. He sought flexibility, as in countries abroad, not exclusion.

Mr David Davies, of the NAS executive, opposed the idea as a trade unionist. It would mean more teachers unemployed when there were already 20,000 without jobs, he said. The union had said it wanted to care for the disruptive pupils by exclusion from the classroom but not from the entire system.

Miss S. Jones, of Merseyside, agreed. "If they are to be allowed to leave at 15, why not 14?" she asked. Teachers should seek an educational means of treating difficult pupils. It might mean a revision of final-year courses. The conference agreed that, while teachers ought to be accountable to parents, employers, and industry, they should remain overseers of the educational system.

## Scottish officials hope to learn in Belfast how an assembly might work Pilgrimage to Ulster's old parliament building

From Stewart Tendler  
Belfast

In the past few months Scottish civil servants have been crossing from Edinburgh to Belfast on pilgrimage to the parliament building and the officials who now occupy it.

Although there is no sign that any parliament will sit there soon the experiences of the past half-century are being examined by those who will have to organize assemblies when the issue of devolution is decided. The officials' interest is less in the controversies and conflicts that were fought out during the Northern Ireland parliament's existence than in the procedures and logistics that kept it and its short-lived successors functioning.

The five-storey block stands on a hill amid rolling lawns on the outskirts of Belfast, close to Stormont Castle, from which Ulster is now ruled.

Commissioned in the 1920s, after partition, it was to have consisted of a central two-storey building topped with a cupola for the parliament, and two large wings for the civil servants.

But as a result of the slump in the 1930s the architect's plans had to be redrawn. The hasty changes created the present building, with a gloomy library at the back and a cloakroom bathed in sunshine at the front.

The place has been compared unkindly to a Christmas cake. Its architect was responsible for the town hall in the Barnsley constituency of Mr Mason, Secretary of State for Northern Ireland, and the minister is reported to have said that he preferred the Yorkshire building.

The building closed as a parliament in 1972 when the British Government embarked on direct rule. The doors were reopened in 1973 for the ill-fated Northern Ireland Assembly and the power-sharing Executive. But the experiment collapsed in 1974 with the Ulster Workers' Council strike, and especially the action of the power workers, who cut off supplies to much of the province.

A year later Stormont became the seat of a fresh experiment in the formation of the Northern Ireland

Convention. That, too, proved fruitless and again the doors closed.

Today the offices and committee rooms have been taken over by the standing Civil Service created in the present period of direct rule. Up to 300 civil servants are housed there and they have brought with them better facilities than were enjoyed by their former masters.

So far the two debating chambers remain untouched. The lower House, which was used by the Assembly and Convention, still has the horseshoe arrangement of seats intended to encourage the end of partisan politics. That innovation was thought up by the Assembly but the strike brought the end of that body before the seating could be installed.

Outside the chamber there is no sign of the host to which members once put their weapons, issued for self-protection, before taking part in debate. The members' library, with 27,000 volumes, is largely unused and the small bar at which many a confidence was exchanged and journalists were

briefed has been shut since the Convention.

The staff in charge of the parliamentary side of the building has sadly dwindled. Several Hansard writers are employed taking records of government inquiries; others have retired. Although the Northern Ireland Assembly no longer exists, it still has a clerk, Mr Ronald Blackburn, appointed under the Act that created the Assembly, now spends much of his time on civil service work. No one has bothered to strike the Act from the statute book, and so he awaits democratic developments.

On the wall of his office is a photograph of the opening of the first Northern Ireland Parliament in 1921, when it sat in Belfast City Hall. Its members were photographed, backs to the camera, listening to George V calling for all to forgive and forget. Across the room on another wall hangs an artist's impression of the scene. With unconscious irony, the artist turned the heads of the crowd so that instead of watching the King they are depicted watching one another, rather sloppily.

## Pay policy 'saboteurs' blamed by Mr Steel

By Our Political Staff

Mr David Steel, the Liberal leader, told the Grimsby electors last night that the Liberals, in cooperating with the Government, were patriots. Mr Clive Jenkins, on the other hand, in opposing more wage restraint, must be "struck down".

His attack on Mr Jenkins, leader of the Association of Scientific, Technical, and Managerial Staffs, came in a speech supporting the idea of "kitty bargaining", which has been aimed by ministers and which he described as much closer to Liberal ideas than any previous price and income policy.

"We are in a state of war against the evil of inflation," he said. "In that war we have to strike down the saboteurs, the people like Mr Clive Jenkins, who will cheerfully argue for paying the members of his union 30 per cent more. That is the road to ruin, especially for those unable to join the fun of his rat race; the pensioners and the jobless."

Mr Jenkins, with such right-wingers as Mr Enoch Powell, once a Conservative, and Sir Keith Joseph, now on the Tory front bench, were united in a new "grab-what-you-can" philosophy, he said. It had nothing to do with Liberalism and little to do with socialism or mainstream conservatism.

While others shouted from the sidelines, Liberals were willing to support practical solutions to national difficulties.

"What we require if we are to get out of our national difficulties of unemployment and inflation is a new patriotism. I am not talking of a retreat to jingoism, but of a willingness to place the national interest above party or sectional interests."

That is the motivation for the Liberal Party's agreement with the Government. We have simply got to get through the next few months with a new pay restraint deal and new controls on price increases."

Liberals are hoping at least to get on to the 47 council seats in the big metropolitan counties, the party announced yesterday in advance of next month's English local government elections.

They are hopeful of gaining the balance of power at Merseyside.

They hope to gain the balance of power at Merseyside, to gain a few more seats in the Isle of Wight, and to hold their ground against the Conservatives in Devon. Elsewhere they are putting up 1,500 candidates, half as many again as in 1973.

## Airline workers resent differentials erosion

By Our Labour Reporter

The dispute involving most of the four thousand members of the Amalgamated Union of Engineering Workers employed by British Airways represents the bitterness felt by skilled workers at the erosion of their national pay differentials over the unskilled and semi-skilled.

The industrial action, which is not supported by the union, springs from a demand made a year ago by shop stewards of the AUEW at Heathrow for their own pay bargaining. Outside the normal forum for pay negotiations, that forum, the National Joint Council for Civil Air Transport, is supported by all 17 unions recognized by the airline.

The AUEW and the other unions, like the management, will not recognize any attempt to bargain outside the national joint council. The stewards a

year ago ignored union advice and withdrew from the local bargaining structure, the Engineering and Maintenance National Sectional Panel, and have unsuccessfully sought to establish negotiating rights. As an additional claim the stewards are seeking improvements in payments for shift work.

The situation has a direct parallel with the recent action by toolmakers at British Leyland, also AUEW members, who sought the right to conduct their own pay bargaining. The union is clearly unwilling to sanction efforts by individual groups to negotiate outside the established structures. While sympathetic to the skilled men's arguments about differentials the union is unable to negotiate a solution because it is bound by the pay-restraint policy, which it supported.

## Police seek men and woman in embassy murder hunt

By Our Crime Correspondent

Detectives from Scotland Yard's anti-terrorist squad were searching last night for several men and a woman who are believed to have been involved in the shooting on Sunday of the former Prime Minister of North Yemen, his wife and another diplomat.

The murder headquarters at Paddington Green has been inundated with callers and informants after the shooting outside the Royal Lancaster Hotel, Baywater, of Mr al-Qadi Abdullah al-Hajri, his wife, Fatima, aged 40, and Mr Abdallah al-Hammami, aged 42, minister plenipotentiary at the Yemen Arab Republic Embassy in London.

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minster coroner, adjourned an inquest yesterday until July 13 after hearing evidence of identification from Mr Ali Ahmed al-Gerafi, first secretary at the embassy.

Dr Michael Crompton, a pathologist, said Mr al-Hajri had died from a bullet wound in the back, the wife from a chest wound, and Mr Hammami from a bullet wound in the heart. The bodies of all three were flown back to Yemen on Monday and the funeral took place next day.

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## HOME NEWS

## Rail chairman pledges more efficiency in return for traffic rise

By Michael Baily

Transport Correspondent

British Rail will undertake to become more efficient if the Government will provide policies designed to attract more traffic, Mr Peter Parker, its chairman, said in the latest issue of *Railway Gazette International*, published yesterday.

But he emphasizes that the railways can be saved only through a change in the rules of the game so that more efficient methods of operating the railway can be introduced.

Mr Parker says he does not seek confrontation with the unions, who have helped to achieve recent economies. But he has to "expose the logic of our situation so that the unions can form their own judgment as to where the long-term interests of their members lie".

Scope for greater productivity is "so great that we scarcely have the measure of it", he says.

With the increase in car use slowing and faster trains on the way, rail traffic might rise by three fifths by the end of the century, particularly in longer

routes. Mr Parker suggests that the Government might abolish road tax on cars and collect the revenue through increased petrol duty, reducing the gap between the perceived cost of public and private transport without adding to inflation.

The heaviest lorries, the railways' main competitors, are paying about £5,000 a year less than their true truck costs, Mr Parker suggested. If longer-distance bulk freight increases by half by the end of the century, British Rail ought to be able to take a third of long-distance lorry traffic off the roads.

British Rail finances and passenger traffic are improving, Mr Parker discloses, with a 6 per cent rise in passenger mileage from the low after big fare rises last summer. But improved finances cannot be maintained without planning for growth, he says.

"A railway which is carrying more traffic each year and buying modern equipment is a better place to work and must in the long run employ more people than a system which is being allowed to rot in the hope that public opposition to closure will fade away", he concludes.

## Record number likely to fight county elections

By Christopher Warman

Local Government Correspondent

Nominations closed yesterday for the elections of county councils in England and Wales, including the Greater London Council. Polling day is May 5, and a record number of candidates is likely.

The final tally will not be known until after Saturday, after which candidates may not change their names, but in London the number of candidates for the GLC election is likely to exceed the 1970 total of 491, the previous highest. Throughout the country, the Liberals are fielding more candidates than ever before. The counties are voting for the first time since 1973, when local government reorganization created the six metropolitan counties and recast the 39 English and eight Welsh ones. The GLC, too, is having its first election since 1973. This year sees the final disappearance of aldermen from the authority. Aldermen disappeared elsewhere at the time of reorganization, and now only the City of London keeps that ancient office.

The 4,401 seats being fought are made up of 92 in London, 601 in the metropolitan counties, 3,129 in the non-metropolitan counties in England, and 579 in Wales.

In Greater London, which the Conservatives seem likely to win, 474 candidates have been nominated: 92 Labour, 92 Conservative, 90 Liberal, 81 National Front, 25 Communist and 84 others, including 30 standing for the campaign to abolish the GLC.

The Liberals are putting more than 1,500 candidates into the field, half as many again as in 1973. They hold 47 seats at present in the metropolitan counties, and two on the GLC. Showing more optimism than its latest parliamentary by-election results might seem to justify, the party is looking for gains in Tyne and Wear and South Yorkshire, where it has made progress in local elections. Overall it hopes at least to maintain its present level of representation, with the possibility of holding the balance of power on several authorities, especially Merseyside, where it has just gained a seat at a district council by-election in the Wirral.

As usual, a wide range of parties and candidates intend to make their presence felt. In Humberside, ratepayer's candidates, a communist, socialists against cuts, democratic labour and the National Front join the main parties in fighting the county election.

## Strong challenge for a Labour heartland

By Trevor Fishlock

Cardiff

Fortunes in Welsh politics have changed dramatically in the past few years as Labour's rock has been eroded by nationalist and conservative tides in parliamentary and local elections. For the county council elections on May 5 the Conservatives and Plaid Cymru are strongly increasing their candidate forces and Labour knows it will have to fight hard to keep what it has.

As nominations closed yesterday, and campaigning begun in earnest, it became clear that Labour will be under acute pressure in its South Wales heartland. Gwent and Glamorgan, where three fifths of Welsh voters live. Conservatives and Plaid Cymru hope to capitalize on last year's town hall elections, which they regarded as the cracking of the Labour dam. They now hope to burst it.

This will be the hardest fought of any county election campaigns. There are 578 seats in the eight counties, and more than 1,500 candidates. In the mainly rural counties, Gwynedd, Dyfed and Powys, the tradition of people standing as independents and not declaring political colour is still strong, but not as strong as it was.

Increasingly, politics in rural Wales are becoming organized more on party lines and the number of independents standing this time, more than 350, is about 20 fewer than in 1974. In Gwynedd, for example, where there was only one candidate on the Conservative

ticket in 1973, there are 20 this time. Labour, which holds 293 of the 578 county seats, is fielding 406 candidates overall, compared with 445 in 1973; the Conservatives, who have 75 seats, are fielding 258, compared with 147; Plaid Cymru, which has 22 seats, fields 220 compared with 99 three years ago; and the Liberals, who have 20 seats, are putting up about fifty candidates.

The really hot battles will be in the south, where Labour's control of Gwent, Mid-Glamorgan, South Glamorgan and West Glamorgan will be strongly challenged. Labour was well satisfied with the 1973 results, especially its winning of South Glamorgan, which is essentially Greater Cardiff.

This time, however, Labour will be lucky to keep South Glamorgan. The Conservatives are fighting all 80 seats and confidently expect to win. They also expect to take control in Clwyd and to become the largest single group in Gwent.

Much attention will be paid to the struggle in Mid-Glamorgan, where Labour has 62 of the 85 seats. Plaid Cymru, which has 12 seats, is contesting 32. Indeed, it is making the biggest effort of the election in this county and has published a Mid-Glamorgan manifesto.

The Conservatives, heartened by some success in the town hall elections in Mid-Glamorgan last May, are putting up 43 candidates, compared with 10 in 1973.

## Horsemeat 'served in cafes as fresh meat'

By Hugh Clayton

Animal lovers complained

Animal lovers complained yesterday that horsemeat is being served in British cafes as demand for it rises sharply at home and overseas. The Heavy Horse Protection Society said: "Horsemeat is regularly served in transport cafes as 'fresh meat'."

Mr Roger Hooper, treasurer of the society, said: "Our supporters have followed it from the abattoirs in their cars to the transport cafes. Heavy horses are those of the hard-working breeds, such as Clydesdale and Shire, which are used mainly for caravans and brewers' drays."

Horses sold for human consumption might fetch £400, compared with only £20 for those destined for dog food, Mr Hooper said. This is a real temptation to economy-aid farmers, he said. "A Continental ring of horsemeat dealers has opened three abattoirs to Continental standards in this country and they are buying horses at tremendous speed."

The Meat and Livestock Commission said yesterday that exports of horsemeat from Britain to the rest of the EEC rose from 1,381 tons in 1973 to 4,507 tons, valued at more than £3m, last year. Four or five animals make up a ton.

The top price for a horse at a sale in the North of England was £328 last week, Mrs Dorothy Cope, chairman of the Society for the Humane Disposal of Surplus Ponies, said yesterday.

## Action sought on disturbed young

By Pat Healy

Social Services Correspondent

Government action to ensure that facilities for disturbed adolescents are better used was demanded yesterday after a disclosure in *The Times* that a girl aged 13 is being treated in a private psychiatric hospital because no public place will take her.

Mr Robert Kilroy-Silk, Labour MP for Mansfield, is writing to Mr Ennals, Secretary of State for Social Services, calling for action in three areas. He wants Mr Ennals to stop community home heads refusing to take difficult adolescents, and to press psychiatrists to be more willing to accept them in specialized adolescent units. He also wants the Government to provide more money for secure units in community homes.

"Of course there are gaps in dealing with particularly difficult children, but we have

only just-made a start on providing places as a result of the pressure to get them out of prisons and adult wards in psychiatric hospitals," Mr Kilroy-Silk said. "This girl should have been accommodated in a community home or an adolescent unit, but it is preferable that she is in a private hospital than that she should have ended up in Holloway or Broadmoor."

The St Charles Youth Treatment Centre, an experimental and specialized unit at Brentwood, Essex, run by the Department of Health and Social Security, is not willing to take her for at least eight months.

Mr David Larter, vice-chairman of the Essex branch of the British Association of Social Workers, yesterday cast doubt on the effectiveness of such intensive and costly units. He said a girl of 13 and a boy of 15 had spent some time at St

Charles but had reverted to their former behaviour patterns. But Mr Kilroy-Silk suggested that less-disturbed children would benefit if secure units in community homes were obliged to take the more difficult ones. Children who were easier to handle might then be allowed home or into foster-homes to make way for them.

Mr Christopher Andrews, general secretary of the British Association of Social Workers, pointed out yesterday that treatment in specialized units for disturbed adolescents was more expensive than in the private hospital where the girl was being treated.

The Department of Health and Social Security said yesterday that 26 projects, providing 212 more places in secure units in community homes, had been approved under its special allocation of £2m.

## Hospital dispute over domestic rotas is settled

From Our Correspondent

Epsom

A Surrey hospital dispute over 32 domestic staff who were suspended on full pay after a strike was settled yesterday. Management and officials of the Transport and General Workers' Union at the Manor Hospital, Epsom, accepted the recommendation of the official mediator, Mr George Bain, that staff should accept rotas drawn up by the management, but with agreed variations.

Trouble arose when the staff, mostly Spanish, refused to accept the rotas because they interfered with home arrangements.

## Women 'wrongly blamed for job difficulties'

By a Staff Reporter

Women are in danger of being made the scapegoats for the country's present employment difficulties, Lady Howe, deputy chairman of the Equal Opportunities Commission, told the Institute of Employment Consultants in London last night.

She said statistics were sometimes used to show that women were taking men's jobs or had an increasing and bigger unemployment rate. The truth probably was that more women wanted or had to work, and, in spite of alarming stories

about their being more expensive to employ, female employees were not suffering especially from the economic recession.

More women were registering for employment and more were employed in production industries in January this year compared with last.

Lady Howe said: "Women are an increasing part of the workforce, and every time agencies fall into the trap of mentally labelling a job a man's job or a woman's job they are excluding half the population and denying the company access to the best employees."

## Anti-communist on Rhodesia charges

From Our Correspondent

St Albans

Roy Davaston tried to recruit people to emigrate to Rhodesia to fight communism, it was alleged at St Albans Crown Court yesterday.

A dedicated anti-communist and supporter of the Ian Smith regime, Mr Davaston advertised for people in local and national newspapers, it was stated. People answering the advertisements had to join his movement and fill in migration forms, breaking the Southern Rhodesia Act, 1965.

Mr Davaston, aged 36, of Downfield Road, Hertford Heath, pleaded not guilty to six charges of promoting emigration to Rhodesia between March and April, 1976.

Mr Leo Charles, for the prosecution, said that shortly after Rhodesia declared her self-independent Britain passed a law banning people from encouraging or soliciting others to emigrate there.

Mr Davaston, the leader of the World Dead A Day Movement, was a confirmed believer that the "cancerous growth" of communism was on the rampage, and that Mr Ian Smith was one of its leading opponents in the Western world.

In 1976 he advertised in newspapers for men and women seeking jobs. Many people answered the advertisements and attended meetings at hotels in London, where they completed forms declaring that they wanted to leave the country. They also had to pay £3 to become a member of the movement.

Mr Charles said that afterwards they received official

Rhodesian immigration forms which they completed and sent to the Rhodesian immigration board.

Mr Charles said: "This defendant was a dedicated supporter of Rhodesia and wished to send people out there. The reason for sending them was to reinforce the people involved in combating communism in that country."

Mr Charles said police officers went to some of Mr Davaston's meetings and took possession of documents. Mr Davaston told them he had been in touch with Mr Ian Smith and other people. He had letters from Rhodesia and from Mr Ian Smith's principal private secretary, counsel said.

In the letters Mr Davaston sent to Mr Smith he described what he was doing and told him not to give in to a majority rule, as it would "be the straw that would break the back of freedom". He also said he had several hundred applicants and wanted 30 plane-loads of immigrants, Mr Charles said.

Mr Michael Burksfield, of Shakespeare Road, Ruislip, told the court: "I had no clear idea where the job was when I answered the advertisement. Davaston told me it was Rhodesia. I had no doubt the £150 a week would be for military employment and I was given recruiting literature for the Rhodesian army and a booklet about life in the armed forces."

Davaston said it was illegal for him to recruit mercenaries. I was keen to go, as it made no difference to me whether it was as a mercenary or as a member of the Rhodesian army."

The trial continues today.

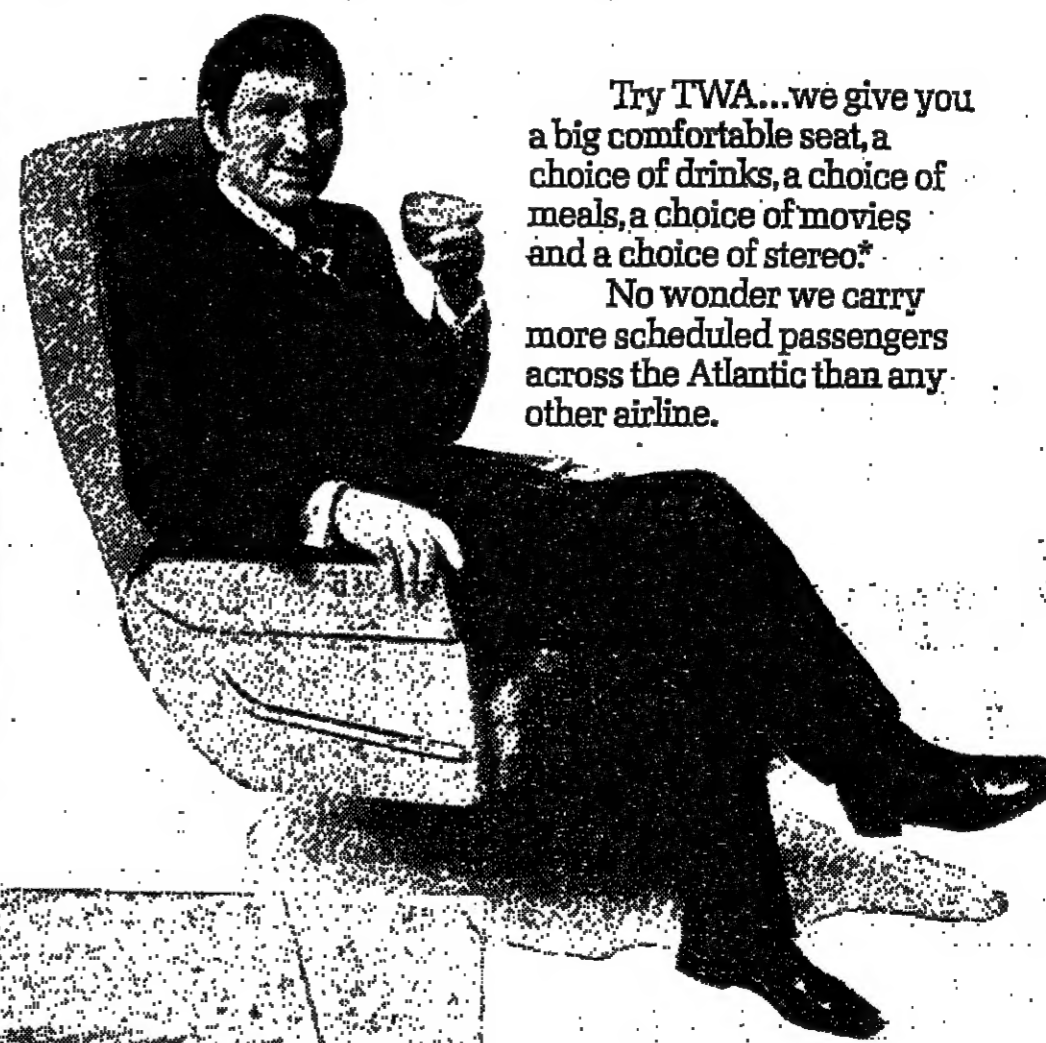
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## TO BE WON!

New Zealand Silver Jubilee Dollars



Coins & Medals, May Issue, offers eleven prizes in a competition quiz. It also features a background to New Zealand coinage, leading coin & medals designer James Berry, 50 cent coins from the Pacific area. Plus investment advice and market guide etc.

**COINS and medals**

MAY ISSUE OUT NOW

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## WHO LOVES YOU BABY?



Every child born into the world has the right to be wanted and to live in human dignity. And yet, of the 100 children born every 30 seconds, 20 will die within the year. World population is expanding by 6 million every month and is over-taking social services, food and medical supplies. The world desperately needs planned parenthood. This is our concern and responsibility—make it yours too. Please help.

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Population Concern, sponsored by the Family Planning Association (Registered Charity No. 220299) in support of the International Planned Parenthood Federation.

## More traffic and more casualties last year

By Our Transport Correspondent

Road traffic increased by 4 per cent last year despite the rise in fuel prices and the recession, provisional figures from the Department of Transport show. Road casualties rose by 41 per cent to 6,600 killed and 334,000 injured, after falling in 1975.

Both traffic and casualties increased more in country than in urban areas. Away from towns, traffic rose by 7 per cent and casualties by 7 per cent; in towns, the increases were 3 and 4 per cent. Drivers blamed: A survey of motor cycle accidents by West Midlands police showed that many car drivers had been involved in collisions without ever seeing the motor cycles (a Staff Reporter writes). Chief Inspector Thomas Pritchard, the force's road safety officer, said yesterday: "I think that many drivers subconsciously look for lorries, cars and buses, but forget about motor cycles."

A study of 160 accidents in April last year showed that car or van drivers were to blame for 65 of them. In 28 the cause was that a driver had pulled out of a left-hand junction into the path of a motorcycle. In almost all cases the motorist had stopped but had failed to see the motor cyclist.

Mr Pritchard found that motor cycles were at least partly to blame for 70 accidents, usually because their machines ran into the backs of other vehicles.

## Bogymen of student revolt sees information men at heart of economy

### Social theorist and revisionist at the LSE

By David Walker

Unknown to most of them, the turbulent students of the London School of Economics now have in their midst one of the great bogymen of 1960s student radicalism, Professor Daniel Bell, the Harvard social theorist.

Professor Bell, aged 57, on a year's sabbatical leave in Britain, wrote a revisionist tract with the provocative title *End of Ideology* in 1960. He later aggravated the offence by arguing that both capitalist West and socialist East were part of "post-industrial society" to explain that the old schemes of Marxism were largely redundant.

Professor Bell, drawing on contemporary American sociology and a line of global thinkers going back to de Tocqueville, argued as follows. The advanced countries of the world with the United States at their head are becoming post-industrial. Instead of production workers, the key social groups are now the white-collar administrative class, professionals, and providers of services such as banking, communications, health and education.

Professor Bell sees newly raised cohorts of information processors—clerks, computer operators, teachers, aircraft flight controllers, whose job it is to handle not people or things but information—at the heart of the modern economy. Even in agriculture in the United States a growing proportion of the labour force do not farm but punch buttons to analyse soil and produce computer forecasts of yields. In

other words, they deal in knowledge. Scarcity of goods gives way to scarcity of information. We depend more and more on specialists, mediators to strain and relay knowledge to us. Social leadership moves into the hands of the workers by brain and the organization of science and knowledge becomes a central political issue. The university and the scientific research institute are thrust into the front line of social change.

The new formation needs new concepts which Professor Bell, in his book *The Coming of Post-Industrial Society* (Heinemann, 1974) sets out to supply. He speaks of the new "knowledge class", intellectual technology. He advocates a revision of our system of national accounting based on notions such as gross national product: it misses the vast growth of services outside the market in what he calls the "public household" and the erosion of the boundary between public and private. The new society needs new rules of conduct, and here Professor Bell takes issue with the late Anthony Crosland, a friend of his for 25 years. Crosland and the socialists believed that once material scarcity was conquered problems of how goods and services should be distributed resolved themselves. No, Professor Bell says, questions of relative rewards will always be pressing especially in a collectivist state. What rules say how much more to pay the professor above the lecturer, the doctor above the nurse? New scarcities take the place of old.

The left misunderstood Pro-



Professor Bell: new society needs new rules.

fessor Bell as an apologist for social stability and consensus. His thinking matured during the Eisenhower years in the United States when even the President could coin a phrase—the military industrial and the organized science complex—showing awareness of where power was accumulating.

The *End of Ideology* signalled the exhaustion of the debate with Marxism that had preoccupied so many of Professor Bell's contemporaries since the 1930s, among them Melvin Lasky and Irving Kristol. Post-industrial society demanded not only a new critical appreciation but a theory able to encompass the social evolution of the collectivist states.

Professor Bell argues that the politics and culture of modern

society are in danger of getting out of phase with social and economic developments. A spur to his thinking in the 1960s was undoubtedly the student revolt. That shock to the American academic frame produced a consuming need to explain how, as one of Professor Bell's sociological colleagues put it, academics had come to be theorizing within earshot of campus gunfire.

In another book, *The Cultural Contradictions of Capitalism*, Professor Bell sees the student movement as part of a wider movement in cultural life antagonistic to the demands of production and investment. Modern progress is *laissez-faire* in morale but earnestly collectivist in organizing economic life. That discrepancy has been part of industrial society since the nineteenth century, when Bandelaire and the art-for-art's sake school led the "adversary culture".

Less a social forecaster than a thinker able to view society with that peculiar detachment vouchsafed to Jewish intellectuals, Professor Bell views Britain's future bleakly. On one level Britain's problems are shared: the Chancellor faces exactly the same issues as Mr Gierk, the Polish leader.

On another level there are alarming parallels with the 1920s and 1930s, Professor Bell says. No majority government; the unemployment of large numbers of the educated class; terrorism, and inflation threaten the country with fragmentation and the "politics of irrationality". Even in the post-industrial society, ideology is not dead.

## Judge questions use of short sentences

A Scottish judge yesterday questioned the value of short prison sentences and called for more suitable alternatives.

Lord Cameron said a reduction in the number of short sentences would reduce prison congestion. Such sentences provided little opportunity for taking remedial measures or treating offenders.

Writing in *Sacro Bulletin*, a publication of the Scottish Association for the Care and Resettlement of Offenders, he said that the division of opinion about methods of deterring criminals meant that in many cases the only practicable and possible penalty was incarceration.

"No doubt there are many for whom the only practicable, and frequently practical, treatment is segregation from a society on which they will otherwise continue to prey."

There is serious doubt, however, whether the imposition of

short prison sentences achieves any very useful objective, especially reformatory, while the expense of prisons and the risk of no opportunity for the effective application of remedial measures or treatment of offenders.

He suggested that community service might point the way to a better method of dealing with minor delinquents. Community service is not an alternative sentence in Scotland at present.

Lord Cameron said imprisonment as a sanction against the non-payment of fines added, "and in a sense uselessly", to the prison population. It might be worth considering legal measures to allow the attachment of income until a fine was paid.

He suggested that the number of prisoners might also be reduced by limiting the period between committal and trial and by reducing the number held in custody before trial.

## 'Immediate jail' warning to football hooligans

Anyone convicted of possessing an offensive weapon at a football match, even for the first time, would go to prison straight away, Sir Lincoln Hallman, the South Glamorgan magistrate, said at Cardiff Magistrates' Court yesterday.

He sentenced Paul Williams, 17, of Pontypridd, to 28 days' imprisonment for using threatening behaviour and having a lump of rock at the FA Cup tie match between Cardiff City and Everton at Cardiff in February.

Mark Moreno, aged 24, of Llanrumney, Cardiff, was jailed for 28 days for assaulting a police sergeant, and Stewart

Edward Christian, aged 18, of Cardiff, was sentenced to 14 days' imprisonment for having half a brick under his jacket after the same match.

John Ellis, aged 20, of Graysend, Kent, was sent to prison for 14 days for using threatening behaviour at the match between Cardiff City and Chelsea last month.

Sir Lincoln said: "It has got to be seen in this city that people who behave like this will be punished at once. I make it quite clear that anyone who comes before this court for being in possession of an offensive weapon, even for the first time, will go to prison straight away." Letters, page 15

# Why the Post Room should be on the agenda of your next Board Meeting

Chances are your post room jogs gently along. It doesn't bother the Board; the Board doesn't bother it.

Chances are, also, that this cosy state of affairs is costing you unnecessary money, time and effort. Here are some questions you might raise.

### Seven pointed questions

1. Are your staff doing work the Post Office would willingly do for you?
2. Are you paying agents to do what the Post Office would help you to do for nothing?
3. Could you reduce bad debts and improve cash flow?
4. Could you cut down on transport?
5. Is your post room as efficiently organised and equipped as it could be?
6. Could the post room play a more effective part in your marketing operation—at home and abroad?
7. Do you pay more in postage than is necessary?

The information that follows may suggest thought-provoking possibilities. There is also a film entitled "The great mail room mystery" which is available on loan. Tick the coupon for details.

### Wrap up the parcel problem

You already know, of course, that we deliver regularly and swiftly to any address in the country. But we offer many special facilities for the businessman. Here are a couple of examples.

More than 2,500 firms post over 80 million parcels a year under individually negotiated contracts. If you're not one of them this may give your competitors an edge.

Perhaps your parcel deliveries are local rather than nationwide. Then we can probably offer next-day delivery for

less than the cost of running your own vans. And you'll find us flexible on dimensions and packaging requirements.

### Door-to-door security

Datapost is for people who regularly need secure, courier-style, overnight delivery of urgent packages of any kind.

It covers the whole of the UK. For those with less regular needs there is Datapost 'D', the 'on demand' service, which operates between many towns and cities throughout the country.

International Datapost (for the conveyance of urgent business papers or documents) operates to major business centres in USA, Brazil, Netherlands, Belgium, France, Australia, Japan and Hong Kong. Datapost 'D' is available to USA, Netherlands, Australia and Hong Kong.

### Speed your exports

No matter how involved you are in exporting, the Post Office has a service to help speed your business. From air mail letters for your initial contacts right through to air parcels for despatching the goods.

If you have large quantities of printed papers to send abroad we have a Bulk Air Mail contract service to Europe and an Accelerated Surface Post contract service to most other countries outside Europe.

If you tick the appropriate box in the coupon we will gladly give you advice on exporting by post.

### Stimulating Sales

Direct mail, or advertising through the post, is flexible, selective and personal. It secures the recipient's undivided attention. It works quickly and results can be accurately measured. It stimulates response—particularly if you use the Business Reply or Freepost services.

It need not be expensive. We help by giving a rebate on bulk mailings. Rebate can be as much as 30%!

If you'd like to know more about direct mail, we have available a film, "What the others can't do," and an interesting series of free booklets which include some case histories and advice by experts on specific aspects of this very specialised subject. Tick the coupon to order.

### The one who finds the answers

Your local Postal Service Representative can give you advice on any postal service, including those mentioned above. The PSR will also tell you about special courses run by the Post Office for post room staff. These cover post room organisation and equipment, correct packing, the use of franking machines and so on. Your PSR will help you to use the Postal Services in the most cost-effective way.

Send the coupon below to: Jackie Willbourne, FREEPOST, Room 434, Postal Headquarters, St. Martins-le-Grand, LONDON EC1A 1HQ. Remember, you do not need to use a stamp.

Please ask my Postal Services Representative to make an appointment.

Booklets. Please send me:

The Royal Mail parcels service—simply the best

A quick guide to Overseas Postal Services

Datapost

A guide to Effective Direct Mail

Direct Mail Testing and Measurement

Direct Mail and the Law

Writing sales letters that sell

Direct Mail List Building

Direct Mail and Exporting

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Please send me details.

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**The Post Office**

## Court costs of £2,084 challenged

By a Staff Reporter

The head of a courierage company is seeking to overturn a decision that he must pay more than £2,000 costs for a two-day magistrates' court hearing.

Mr John Watson, chairman of The Homes Organisation and a leading campaigner against the monopoly of conveyancing by solicitors, is applying to the High Court for leave to issue a writ of certiorari against the magistrates at Bradford-on-Avon, Wiltshire, with a view to getting the order for costs quashed.

He had taken to court a solicitor's clerk, who he maintained had acted illegally by carrying out a conveyance while unqualified. Mr Watson has long protested that solicitors have no special right to do conveyancing, because most of the work is carried out by clerks.

The case was dismissed. Mr Watson said it was admitted in court that the Law Society had taken over the case on behalf of the clerk, and had instructed its own solicitors and a QC and junior counsel.

On March 25 the magistrates made an order for costs against Mr Watson for £2,084.70. He said the costs were excessive because the Law Society had taken over the case in the interests of the whole legal profession. There was never any obligation on the part of the solicitor's clerk to pay the costs the Law Society had incurred in the interests of its solicitor members.

Since there was no provision for an appeal against an order in a case of this kind, he was applying to the High Court.

## In brief

**Strict security wing reopens**  
The maximum security wing of Parkhurst Prison, Isle of Wight, which was closed five months ago after a security failure, has reopened and seven of Britain's most dangerous prisoners were back in their cells yesterday.

Improvements to security include the strengthening of perimeter fences and reorganisation of alarm devices at a cost of £125m.

## Dinghy rescue in Atlantic

Two Danish fishermen were rescued yesterday after drifting for 12 hours in a rubber dinghy in an Atlantic gale.

Their outboard motor failed after they had left their vessel to visit St. Kilda, and they were taken out to sea.

## Champion sentenced

Jimmy Batten, aged 21, of Simpson Road, Millwall, London, the British light middleweight boxing champion, was conditionally discharged for two years at Southwark Crown Court, London, yesterday, when he admitted dishonestly handling five tyres and wheels and nine hair dryers.

## £24,000 tax waiver

The customs and excise has decided to waive £24,000 in duty and value-added tax on two fighter aircraft that the United States Air Force is giving to a museum at Newark, Nottinghamshire. The museum has been closed as a charity after process from the Americans.

## Closed shop threatens free expression, publishers say

By a Staff Reporter

Mr Booth, Secretary of State for Employment, who is to draw up a charter for press freedom after the failure of the newspaper industry to agree on one, has been told by publishers that journalists' closed shops would restrict access to the press and freedom of expression.

The warning is included in a memorandum submitted by the Newspaper Society, which represents the publishers of 1,200 newspapers in England and Wales. The society took part in discussions with newspaper proprietors, editors and journalists who attempted to compile a charter, but only three of seven clauses commanded complete agreement.

The society was the only group among those who voted on a prospective charter to object to a clause stating that journalists' unions should be free to negotiate membership agreements with employers. The

memorandum maintains that opposition. It says the society's conviction about the consequences of the editorial closed shop is based on recent experience of closed shops in which a "journalist" union has sought to influence the contents of newspapers "for reasons other than the union's industrial aspirations".

The need for a charter for freedom of the press was set out in the Trade Union and Labour Relations (Amendment) Act, 1976, after strong opposition from editors and others to the original Act in 1974 which was intended to restore union rights to negotiate closed-shop agreements, among other things.

The newspaper industry was given a year to reach agreement on a charter. In the event of failure the Secretary of State was to draw up one, taking account of any agreement reached by participants in the charter talks.

## £100m on Scot housing aid

Mr Hugh Brown, Under-Secretary of State, Scottish Office, with responsibility for housing, said yesterday that he was authorizing the Scottish Special Housing Association to build three thousand more houses to help local authorities burdened with unsatisfactory housing. Together with authorization over the past two years for five thousand houses they represented Government investment of nearly £100m.

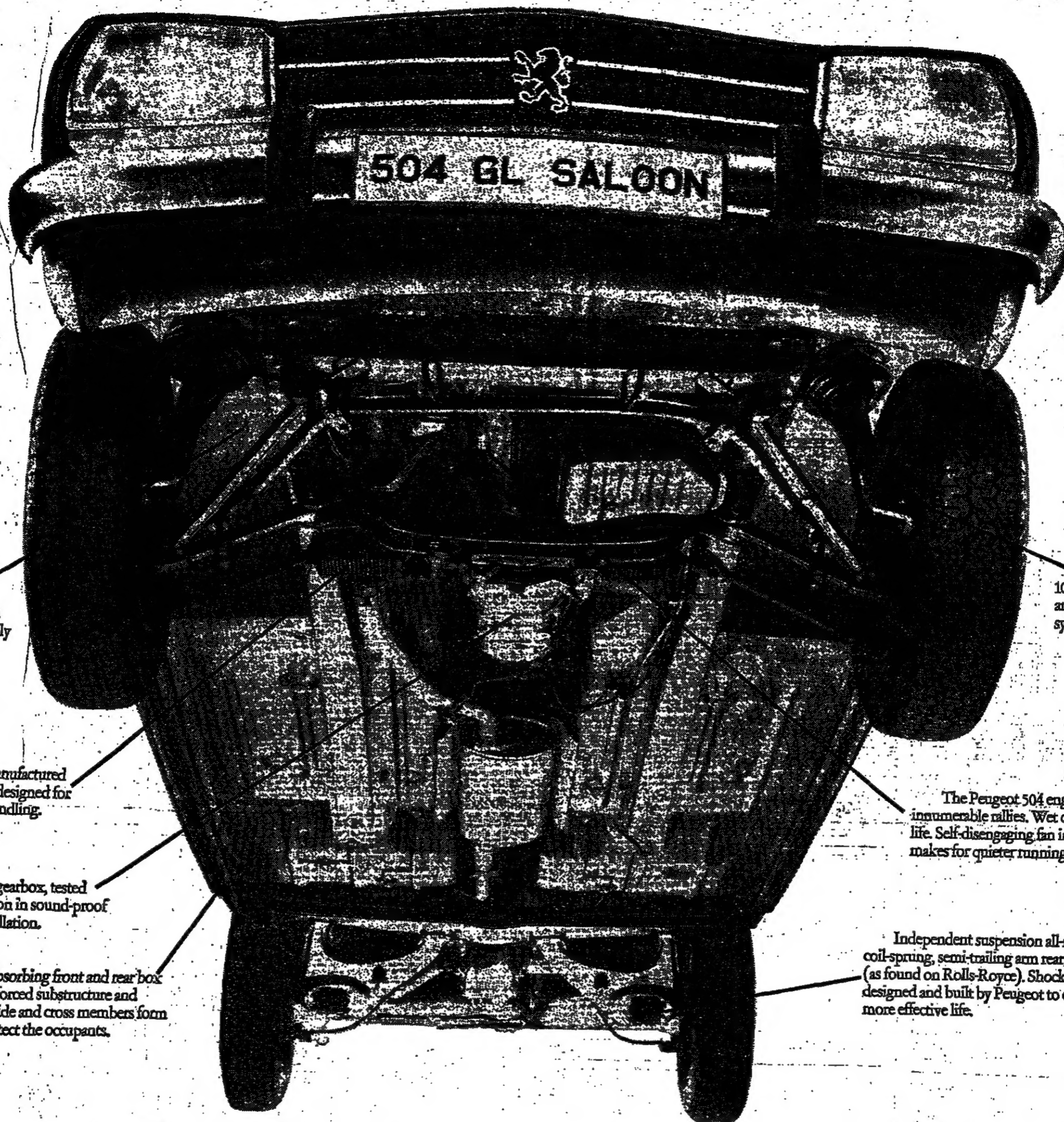
## Child killed by falling wall

Matthew Howard, aged six, was killed and his twin brother Miles was injured yesterday when a wall fell on them. They were playing a chapel opposite their home at Great Hockham, Norfolk. The chapel was being repaired.

## Boy on murder charge

A boy, aged 13, appeared before a special court at Colchester yesterday, accused of murdering Marie Peck, aged 11, of Heather Green Drive, Colchester. He was remanded in custody to a children's home.

# You're looking at the strength behind Europe's classic 2 litre saloon.



Double protection of body-shell against corrosion. Electrophoretic treatment by total immersion. Plus bitumen and PVC coating on key areas. Paintwork rigorously inspected, by hand and eye.

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Every single gearbox, tested in each gear position in sound-proof booth before installation.

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The Peugeot 504 engine, tried and tested in innumerable rallies. Wet cylinder liners extend engine life. Self-disengaging fan increases available power, makes for quieter running, reduces warm-up time.

Independent suspension all-round with coil-spring, semi-trailing arm rear suspension (as found on Rolls-Royce). Shock absorbers designed and built by Peugeot to ensure longer, more effective life.

## Peugeot 504 from £3,449.

Pictured above is a Peugeot 504 GL saloon as you've probably never seen one before. This is because we want you to see some of the qualities of strength and reliability which result from the particular attitude we have to building motor cars. You don't build a quality car by chance but by design. And that's where we started, at the drawing board.

In order to build our quality car we decided that only the best materials were suitable. So we selected high gauge metal for extra strength. We decided to manufacture all the major component parts ourselves, to be absolutely sure they met the high standards we had set. We gave to the 504, as we do to all our motor cars, lengthy attention to the most minute detail. This, and our rigorous testing and quality control methods, enabled us to produce a car like the 504. A quality car, proven by success after success in the world's toughest international rallies.

The 2 litre GL saloon above is just one in our range of ten 504s, each with its lion's share of world famous Peugeot strength, comfort and refinement. Other saloon models include

the 504 TI, again 2 litres but with fuel injection for extra performance, and the 1796 c.c. 504 L, running on 2 star petrol.

In addition, we offer two diesel-powered saloons, the 1948 c.c. LD, or the GLD, 2.3 litres with a luxurious level of comfort and equipment you might not expect from such an economical car.

In addition to the five saloons, there's a range of five stylish, refined and extremely spacious estate cars, with the option of petrol or diesel engines and also a family version with three rows of forward facing seats.

Ten models in all. That's not surprising when you learn that we're amongst the world's largest motor manufacturers. We produce over 750,000 cars a year, each one of them built and tested according to our exacting standards. And to be finally sure of the consistently high quality of our product, we actually drive every completed car on a specially designed test track before we give it our seal of approval and release it for delivery.

But there's another feature of the 504 which no picture can show. It's the combination of Peugeot comfort, quietness and quality—it's called sheer driving pleasure, something you'll only discover when you drive the 504 for yourself.

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## OVERSEAS

## CIA spy chiefs accused of bungling by former Africa agent

From Fred Emery  
Washington, April 13

A new storm has broken about the heads of the Central Intelligence Agency as a result of allegations by a former staff member that the people in charge of the intelligence branch are expensive account swindlers and an "ingrown clique" suffering from intellectual "atrophication," who nonetheless secure continual promotion "no matter how dumber, inept or corrupt their management."

The accusations are made in an open letter to Admiral Stanfield Turner, newly appointed director of Central Intelligence, and published in the Washington Post. It was written by Mr. John Stockwell, who resigned on March 30 from the covert Directorate of Operations after 13 years' service. His last post was in the headquarters of the Africa Division, where he served as head of the Angola task force.

Mr. Stockwell, who is 41, sarcastically suggests that Admiral Turner might try closing up the CIA instead of pursuing, probably vainly, the CIA's goal of new laws to protect its secrets.

Mr. Stockwell says he opposed "because it would bring the Cubans in the abortive scheme of Dr. Henry Kissinger, the former Secretary of State, to have the CIA, with South Africa, covertly support the Cuban agent by the Marxist MPLA in the Angolan war, and he goes on to reveal that he claims to be a secret about America's current "token" aid for Zaire.

"You are seeking out the same French mercenaries the CIA sent into Angola in early 1975," he tells Admiral Turner. "These are men who took the CIA money but fled the first time they encountered heavy shelling."

As a result of the letter, the CIA says Admiral Turner has ordered an investigation and offered to meet Mr. Stockwell privately. The intelligence committee has started its own inquiry.

There are two themes in the letter—criticisms of the allegedly corrupt deadweight running the CIA and disillu-

sionment with policies. About Zaire—where Mr. Stockwell was born—and Angola, he is particularly scathing. The CIA involvement ordered by Dr. Kissinger, he describes as "irresponsible and ill-conceived because there was no possibility that we would make a full commitment and ensure the victory of our allies."

He suggests that by July, 1975, the MPLA, which forms the present Angola Government, was clearly winning and that it was "not hostile to the United States." He says there can be no surprise now that the 1975 "Zairian invasion of northern Angola" has invited the reinvigoration of Zaire by rebels equipped and encouraged by Angola.

He asks whether it was not in fact United States policy which provoked the present invasion of Zaire and "may lead to the loss of the Shaba's rich copper mines."

He does not, unlike Dr. Kissinger, blame Congress for the failure of the Angola actions. He claims he gave warning that the Senate was bound to act once the covert action was exposed.

Mr. Stockwell bitterly criticizes some CIA chiefs in the field. He says the Kinshasa station was out of control and purchased ice plants and ships for local friends. He alleges that it once tried to get the CIA to pay President Mobutu \$2m (£1,777,000) to replace a crashed aircraft that was worth only \$600,000.

"Standards of operations were low with considerable energy devoted to the accumulation of perquisites," he states. When he was made Chief of Station one of his superiors, over drinks, welcomed him to "the club" and briefed him on ways of supplementing his income by \$3,000 to \$4,000 a year, free, by manipulating representational and operations funds.

Those who know the CIA and Mr. Stockwell have reacted with dismay to the letter.

"It is very hard to take," one person said. "It is very hard to take," one person said.

Mr. Stockwell was seen as an idealist, too much of a perfectionist and also as having distorted the present clandestine branch leadership.

## Tory leader to meet Emperor of Japan

From Peter Hazelhurst  
Tokyo, April 13

Mrs. Thatcher, the British Conservative leader, arrived in Tokyo tonight on a three-day mission as the rising value of the floating yen held out new incentives to British exporters.

The surging value of the yen, which has appreciated by almost 10 per cent in recent weeks, is expected to be moved as a major topic when Mrs. Thatcher and Mr. Fukuda, the Prime Minister, discuss Japan's loaded trade links with Britain and Europe tomorrow.

Japanese officials indicate that Mr. Fukuda intends to emphasize that the value of the yen has been allowed to float upwards by the Bank of Japan to promote imports and exports.

It is understood that Mr. Fukuda will tell Mrs. Thatcher that his Government's monetary policies were explicitly adopted to counter the criticism that the yen had been undervalued in the past as a means of impeding imports and encouraging Japanese exports.

The yen closed at a new high of 272.4 to the dollar today, and the Bank of Japan is expected to take strong measures to intervene if the level falls below 270.

Japanese officials suggest to Mrs. Thatcher tomorrow, Japan cannot be criticized if the Bank of Japan intervenes to maintain the level of the yen at a reasonable rate above the watershed of 270.

Mr. Thatcher, who is visiting Japan for the first time, will meet Mr. Fukuda at the Prime Minister's residence. Immediately after the meeting, she will be driven to the Imperial Palace, where she will be received by Emperor Hirohito.

During her stay Mrs. Thatcher will meet Mr. Ichiro Hatoyama, the Foreign Minister, leaders of the Keiseigun, the employers' Federation of Economic Organizations, and representatives of the British Chamber of Commerce. She will also inspect a number of Japanese camera and car plants and an Anglo-Japanese joint venture, the Meiji-McVide biscuit factory.

Japanese leaders are expected to discuss with Mrs. Thatcher the international economic situation, the forthcoming summit meeting of industrialized nations in London and Japan's prickly trade relations with the European Community.

Mrs. Thatcher, who completed a seven-day visit to China today, arrived in Tokyo accompanied by her daughter, Carol. She is visiting Japan on the invitation of Mr. Fukuda in his capacity as president of the ruling Liberal Democratic Party.

The Japanese press suggested today that the visit will serve a useful purpose in promoting understanding between the two countries because Mrs. Thatcher will most probably be elected Britain's first woman Prime Minister before the end of the year.

## Syrian troops allow Palestinian guerrillas to move freely around battle zone on Israel's border

## Peril of war in Lebanon hamlets

From Robert Fisk  
Ib al-Saqi, southern Lebanon  
April 13

In the Palestinian command post at Ib al-Saqi—a half-completed, damp, concrete bungalow whose owners must long ago have abandoned any hope of making it their home—a guerrilla lieutenant assures visitors that his men have not fired a shot for two days.

"We had about 50 shells fired at us last night," he says. "Twenty came from Marjayoun and the rest from Metulla in Israel."

Outside, low cloud drifts over the hills, although you can still see Marjayoun, the Lebanese Christian stronghold a mile and a half away. Through the mist and rain comes the distant sound of an exploding shell—the only one we were to hear during four hours in the battle area.

It was different last week, when for five days Palestinians and Christian forces fought artillery duels with the guerrillas occupying the villages of Taybeh and Khasan. But this is not a war in the conventional sense. Villages like Ib al-Saqi have their tactical advantages and the Palestinians have set up radio communications between them, though such comprise only 10 or 12 deserted houses.

They are slightly smaller than the French hamlets which once provided the names for battlefields in the First World War. In many of them, there are fewer than 100 Palestinian guerrillas: for most battles here are on a miniature, almost inconsequential scale.

The Palestinian lieutenant at Ib al-Saqi shrugged when I asked him about the warning by Mr. Yigal Allon, the Israeli Foreign Minister, that his country would not "permit" the massacre of Christian villagers in southern Lebanon. However, there are no signs on the Palestinian front lines that anyone is preparing another offensive. The only guns protecting Ib al-Saqi on its eastern flank are two medium range mortars.

This is not to suggest the Arab nations or Israel exaggerate the importance of the southern Lebanon conflict—just that the fighting is, with the exception of last week's battles, on nothing like the scale which both sides would sometimes like one to believe.

The regged military operations are important not for what they are, but for what they could become—the Westpoint for the Israelis or Syrians or Palestinians to launch much more serious attacks with

inter-Arab and international repercussions.

The signs of the sporadic shelling are clear enough. To reach Ib al-Saqi, visitors ride atop a Palestinian Land-Rover, which bumps across the cracked, shell-battered road that runs, in an unpleasantly exposed way, from the valley to the north along the flat plain parallel to Marjayoun.

Today, our vehicle crawled along at 10 mph in painful view of Marjayoun and its artillery battery. There was no doubt the serious look on the face of our driver.

Driving out of the Arkoub area in a private car today, two armed Palestinian guerrillas asked us for a lift. We could not refuse. They sat on the back seats with their rifles on their laps as we travelled north. They were friendly enough—one was a teenager—and seemed unconcerned when Syrian soldiers stopped the car to check our identity.

A month or two ago, the Syrians were asking for any identification papers of any Palestinian passing through the checkpoints. But today, after seeing the Fateh men in the back of our car with rifles, they waved us through their roadblock with a smile.

Asked if other diplomats would follow his example in resigning, Air Marshal Reham Khan said: "I do not think so. My case is special." He said he had no links with any political party. "If I join the political struggle I will join in from outside," he said. "I have no plans for returning to Pakistan in the immediate future."

Richard Wigg writes from Lahore: Dr. Mubashir Hasan, secretary of the ruling People's party, has tendered his resignation. A former finance minister, he belongs to the progressive wing of Mr. Bhutto's party which won 155 out of the 200 seats in the National Assembly.

Dr. Hasan's resignation, however, is not so it seems related to the election issue but stems from a deeper disagreement over the Prime Minister's recent political course, particularly what Dr. Hasan sees as growing concessions to Pakistan's powerful landed interests.

The opposition National Alliance, a coalition of nine mostly right-wing parties, obtained only 35 seats and has organized a month's protest campaign against alleged "massive rigging" by the Government.

The Opposition, which boycotted the subsequent provincial assembly elections, is insisting that the Government must agree to fresh national elections.

Asked if other diplomats

## Pakistan ambassador quits Madrid post

Madrid, April 13.—Air Marshal

Abdur Reham Khan, Pakistan's Ambassador to Spain, resigned today, saying he could not sit idly by and see his country being dragged into another civil war by a dictatorial regime.

The Air Marshal, former head of the Pakistani Air Force, accused Mr. Zulfikar Ali Bhutto, the Prime Minister, of breaking promises made to him and allowing general elections last month to be rigged so he could stay in power.

In a telegram to Mr. Bhutto, he said: "I cannot sit idly by and see the country being dragged into another civil war by power-hungry men. I am therefore resigning in protest against your oppressive and dictatorial regime."

His resignation came after a wave of right-wing violence against the Government in Pakistan.

Air Marshal Reham Khan, who is 51, told a press conference that Pakistan had been practically paralysed since the elections. Asked if there was a real threat of civil war, he said: "Not at the moment, but the way things are developing they could lead to civil war."

He said paramilitary forces and police controlled by Mr. Bhutto—not the Army—were responsible for the shooting in Pakistan.

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## OVERSEAS

## Change of mind by Mr Carter on total plutonium ban was caused by hostile allied response

From Fred Emery  
Washington, April 13

President Carter, in his announcement last Thursday of a "domestic" American use of plutonium in commercial nuclear power programmes (at least for the time being) did so on, as expected, to discourage other nuclear countries from doing so.

Instead, the President astonished experts by saying that Britain, France, West Germany and Japan "have a perfect right to go ahead and continue with their own reprocessing efforts". He hoped only that they would join in preventing the spread of the technology to other countries.

For being so accommodating the President is criticized in the *Washington Post* for "having leaned over much too far in the other direction". Other critics wonder whether his non-proliferation policy is not now so confused by inconsistency as to be meaningless.

At all events, as stated so far, America's interim renunciation of plutonium is likely to have a negligible effect on programmes of the nuclear "haves". According to British experts here, it will have no effect whatever on Britain's plans.

Neither the proposed extension of the Windscale reprocessing plant nor Britain's fast breeder reactor programme are in any way dependent on American material or technology. Only if the United States refused permission for countries such as Japan and Spain to have their American-supplied fuel, or if the fuel used in an American-supplied reactor, processed in Britain, could there be any effect, the British experts say.

The nuclear "have-nots" could be affected more, and the unstated reason that they are not to be trusted. Why then all the fuss among nuclear experts from Tokyo to Washington? Essentially it seems the experts suspect that

there is more to Mr Carter's policy than he disclosed last week; that the second step, of first asking everyone, then pressing them, to forgo plutonium, must come.

Mr Carter certainly changed his mind on this issue after pressure from America's allies, last week. There is striking evidence in the current issue of *Time* magazine that it came literally overnight.

The *Time* reporter who was permitted to spend a day in the White House, writes that last Wednesday Mr Carter told three senators: "We're going to take a unilateral step to end reprocessing and we'll call on other nations to do the same".

One reason he did not is that a tornado of protests, it is learned, descended from the allies, particularly the West Germans and the Japanese, when they were shown his draft policy statement. The British and French Governments also made clear their dissatisfaction.

It now seems likely that Mr Carter will instead propose strengthening present arrangements for transfers of nuclear materials between countries.

It is also useful to be clear what Mr Carter has proposed in domestic policy. He will "defer indefinitely" commercial reprocessing and recycling of plutonium, and he will "defer the date" of the commercial introduction of breeder reactors, while seeking to restructure the programme with alternative designs.

This is not jargon, but precise. It does not imply scrapping reprocessing or the breeders; the Clinch River experimental breeder in Tennessee will be continued.

The opponents of nuclear energy here suspect Mr Carter of masking his intention to press ahead with conventional nuclear reactors behind his public anathema for plutonium. That will be seen in

## Yet another New York delay over Concordé

From Patrick Brogan  
Washington, April 13

The commission of the Port Authority of New York and New Jersey, which holds its monthly meeting tomorrow, will again postpone its decision on the future of Concordé. It controls Kennedy airport which British Airways and Air France want to fly Concordé into, and has so far refused its permission despite the favourable ruling of the federal Department of Transportation last year.

The two airlines hope this postponement will be the last. They, and the aircraft's makers, submitted a mass of technical data to the authority on April 1. They believe this shows that Concordé would make no more noise than a Boeing 707.

The authority's technical experts ought to be able to brief the commissioners on all the technical aspects of the case within the next week or two, allowing them, if they wish, to hold a special meeting to announce their decision before the end of the month.

The date is significant because on April 25, a formal hearing will be held before Judge Milton Pollock of the New York Federal Court on the question of the authority's right to disregard a directive from Washington.

The legal argument is that under various international agreements the Americans are bound to accept certificates of airworthiness issued by the French and British once they have been ratified by the American Secretary of Transportation. The former secretary, Mr William Coleman, argued that the Concordé could have a 16-month trial during which its performance could be evaluated.

New York protest: Anti-Concordé demonstrators intend to use their cars to choke roads to Kennedy airport on Sunday.

Filling the auditorium of a primary school near the airport last night, about 600 protesters roared approval of a plan to close the airport with a "drive-in" as part of their campaign to stop the airliner landing here.

Another meeting last night in Cedarhurst, near Kennedy Airport, drew about 4,000 people, but they decided against taking part in Sunday's demonstration.

Mr Jerry Brown, a community leader in Queen's Borough, was applauded when he said: "These wine-guzzlers from France should think again. If we wanted an SST (supersonic transport) we would have made our own."

**Journalist forced to leave Kenya**  
Nairobi, April 13.—The *Guardian* correspondent in Nairobi for several years, Mr Brenda Houghton (who writes under the name of Brenda Jones) left here for London today after Kenya cancelled her residence permit. The *Guardian* last week published a series of her articles on Kenyan politics.

## Uganda arrests Kenyan businessmen in hotels

From Our Correspondent  
Nairobi, April 13

At least 11 Kenyans, most of them businessmen, have been arrested in Kampala in the last few days, it was reported here today.

Some were arrested at their hotels while others were held when they attempted to board an overnight bus for Nairobi. A statement on the matter has been made from Uganda but informed sources said checks against illegal trading and smuggling were being increased.

Passengers from Kampala and soldiers checked their documents before they joined the overnight bus there and they underwent similar checks at three other places before crossing into Kenya. Some travellers were arrested on the ground that they had no permission to leave Uganda. Ugandans must now obtain permits from a district commissioner or a Minister before they can leave the country.

President Amin has signed a decree authorizing the police, military police and other authorities to round up unemployed people and vagrants who may then be forced to work on the land or in industry.

The decree states that anyone between 16 and 40 who cannot produce evidence of employment and who has not paid Ugandan tax can be sent for training on the land, or in industry for a year, and then "settled" on the land.

Uganda radio issued a warning to unemployed people in the towns that they would soon be rounded up. The decree complements one introduced last year to provide for farm training settlements.

## Eight rescued after mountain air crash

Jakarta, April 13.—Rescuers have found eight survivors and three bodies near the wreckage of a twin-engine Otter aircraft which crashed on a mountain peak in central Sulawesi (Celebes) two weeks ago, *Asiatic News* agency reported today.

Nine other people known to have survived the crash are believed to be hiding their way through dense jungle in a hazardous trek to safety down the slopes of the 6,500ft Mount Sialitana.

The aircraft owned by the Indonesian Merpati Nusantara Airlines, was on a scheduled one-hour flight from Palu to Tolitoli when it crashed into the mountain on March 29. It carried three crew and 20 passengers, including three children.—Reuters.

## Ghana's bishops call for civilian rule

Accra, April 13.—Ghana's Roman Catholic bishops have called for representative civilian government and guarantees of human rights, the Ghana news agency reported today.

At their annual conference at Tema the bishops suggested that a future constitution for Ghana should contain provisions banning any intervention by the Army and the police in affairs of state.

The bishops specifically denounced proposals by General Ignatius Acheampong, head of state, for a "union government" in which troops and police would join civilians in creating a new system of rule.

There would be an inherent danger in such a government as the Army and police would like to have their own way, the bishops said.

Ghana, formerly a British colony, is celebrating its twentieth anniversary as an independent state. The military toppled Dr Kwame Nkrumah, its first President, in 1966, and ruled the country for three years.

After a return to civilian rule under Dr Kofi Busia, the military seized power again in 1972 under Colonel Acheampong, who has been since promoted to general.

The bishops said that "government is an art and must be placed and left" in the hands of those "qualified for it and who enjoy the confidence of the people".

Any future government should have regard for the dignity of the human person. Whatever constitution emerged out of the political debate taking place in Ghana, it should "guarantee inalienable human rights and liberties in no equivocal terms".

The courts should be given sufficient powers to guard against infringements of human rights.

The bishops suggested a representative or national rather than "union" government, truly representative of the people.—Reuters.

## Singapore reporter freed but loses citizenship

Singapore, April 13.—The Singapore Government today released Mr Aron Senkurtuvan, the correspondent of the *Financial Times* and *The Economist*, after ten months of detention, but deprived him of his Singapore citizenship.

The Government said that nine other political detainees had also been released after being held under the Internal Security Act, which permits indefinite detention without trial.

The 10, who were alleged to have engaged in pro-communist activities here, included a former executive of Singapore International Airlines, an insurance broker, a tailor and a construction worker.

Mr Koh Kay Yew, the former prime minister, was also deprived of his Singapore citizenship.

Mr G. Raman, a former legal adviser to the University of Singapore Students' Union and the Singapore Polytechnic Students' Union, is still being held.

Also still in detention is another former correspondent of the *Far Eastern Economic Review*, Mr Ho Kwong Ping, who was fined 7,000 Singapore dollars (£1,740) last January for disseminating secret military information.

The statement by the Ministry of Home Affairs said that Mr Senkurtuvan and four others had been released today, four on March 25 and one on March 19.

**Jungle canal eludes group**  
Bogotá, April 13.—Six British women explorers said today they failed to find definite traces of a lost Indian canal during a two-month journey through unexplored jungle and swamp in North-West Colombia.

The Respadura Canal is believed to have been built nearly 200 years ago and to have connected the Pacific and Atlantic Oceans.

"I think it is difficult to be absolutely sure where it is," Miss Carolyn Oxtan, the expedition leader, said.

Design  
An eye on the future in a setting of the past

by Prudence Glynn

I always prefer to see design on the hoof as it were, in its accustomed environment rather than transplanted. This is because I feel strongly that shapes and ideas, and of course colours, are so influenced by the surroundings of the artist with his sensibilities open. While much of the time my preference speeds me around huge roaring factories—something I actually enjoy, since the design and efficacy of machines is also dear to me—I sometimes find myself in charming, and sometimes dazzlingly beautiful, surroundings, in which important design work is being done.

John Makepeace, who I regard as the greatest furniture designer in this country, must share my view about the essentiality of surroundings, for his new workshops and his very important new training concept are put inside the lambent setting of Parnham House, at Beaminster, Dorset. It was built in 1540, extended by Nash in the 18th century, and ranks in my mind with enchanted Brompton d'Evercy, also of these parts, in which I revealed a modern wall rug last year.

Forced by pressure of space "When we made the Liberty contemporary furniture in 1975 it was so big we could not even put it together in the Banbury workshop" John Makepeace and his wife, textile designer Ann Sutton, looked for an alternative site which offered both potential for their hopes of expansion and an environment sympathetic to their work.

They found Parnham House, and knew it must be theirs. They also knew that the house, which had always been closely protected by the luck of inheritance and the undoubted labours of its owners, must be opened to the fresh breath of the public if all the social, educational and functional aspects of their great design were to be completed.

Mr and Mrs Makepeace are not only immensely gifted designers and craftsmen, they are high-minded and, more important, pragmatically high-minded. There exists in this country a fearful chasm of inability—technical, commercial and purely sensible—into which too many art-school trained designers fall. The rarified atmosphere of too much of design education divorces the student from the realities of working to live. "There is a serious gap between being trained and having an income" is how John Makepeace puts it. I recall the suggestion made by Professor Alexander

in Edinburgh last year that a portion of the colleges should be taken from the Department of Education and Science and given to the Department of Trade and Industry so that designers could make a more practical contribution to the lifeblood of industry which supports all such education.

John Makepeace was born in 1939 in Solihull and had no art school background, but from 1957 to 1959 he was a trainee cabinet maker with Keith Cooper in Dorset. It is here where his sensible convictions about proper background come from? No trainee, or apprentice, or graduate of Denstone College, Staffordshire, can have proved a more brilliant and influential presence on furniture design, even if this is often overlooked, and he is still, to my chagrin, forced to be diffident about the cost of some of his remarkable work.

But he is redoubtable too. Questioned about the costing of the time and skill which went into a superb chess table for a superb chess set he retorted: "Nothing is more undermining than compromise in design. Either you take a standard and an attitude in your workshop and you give craftsmen the sense that what they are making is worth while or you destroy their confidence and pleasure in work."

In 1963 John Makepeace bought Parnham House, near Banbury, and turned it into a house and a workshop. From there he amazed the interested with circular pillar chests of drawers, furniture made from wood laminated sometimes 60 sections deep ("When one was small one was always being told how dreadful plywood was. I wanted to prove the opposite") and totally original ideas in which the central stimulation was the sheer beauty of wood. Makepeace feels about wood as jewellers feel about gold. To him it is the magical material, independent, lovely, demanding, never to be abused. Often he is content to use it as a natural aspect as possible, and undoubtedly the fact that he never includes harsh angles or edges in his work is because in nature's world there are no such things.

The success outgrew the site, but so did the dreams of the designer. Parnham House is not just a setting for his own work and that of his wife (who has an exhibition at Dodson Bull Interiors in the Barbican from April 19 to May 5) it is also to be used to establish a school for craftsmen in wood. The course, which will last two years, will be fully residential,

and cost £3,000 a year. (The fee was arrived at by detailing a really good course since that is all that they are interested in running, and then costing it.) There will be 16 students. From eight until five they will work at the bench under a range of admirable instructors—all but one of John Makepeace's craftsmen have moved with him to Dorset—and visiting lecturers. The evenings will be devoted to the study of design or of business management.

The aim of the course is to turn out designers who are entirely self-sufficient. They may be more oriented to craftsmanship or to pure design, but they will at the end know how to make and cost their designs, how to manage their books, where their market is, and how to sell their work. John Makepeace believes that many students will be able to fund at least part of their tuition fees by sales made during training, because they will be encouraged to knock at the right doors and build their own individual clientele, be it private or retail outlets. Since the tuition fee includes all materials (have you tried your local timber merchant for a couple of shelves lately?) I don't think the cost is too high. For really exceptional students who cannot fund themselves, John Makepeace is looking for scholarships, and applicants with suitable educational papers may get local authority grants.

The first course for *Craftsmen in Wood* starts in September, housed in 16 study-bedrooms over the Oak Room, whose linenfold panelling ought to be an inspiration in itself. The whole idea has been realized as a non-profit-making educational charity called the Parnham Trust Ltd. Without any advertising at all there have already been between 40 and 50 applications for the course, the ages of the applicants ranging from 16 to those who at 40 want to start a second career. Perfectionist to the end, John Makepeace will not say that the standards are yet what he wants.

Meanwhile, 1977 will be a busy year. In May he will be installed as a Freeman of the City of London, which will presumably give him certain personally convenient privileges. May also sees the royal opening of the new buildings of Keele College, Oxford, largely furnished by John Makepeace, and the completion of a superb display cabinet for modern sculpture for the Fitzwilliam Museum in Cambridge. As for that chess table, to which I confess a special interest which faithful followers of this page may guess at, we must wait a further month or two.



Above: John Makepeace and his wife, Ann Sutton, at Parnham House, Beaminster.



Left: Garden stools constructed from logs of weathered elm arranged like petals of a flower. The tops of the logs are subtly and comfortably curved. The flower-shaped garden table is made from three rounded panels linked with an open centre.

Left centre: Staff at work in the John Makepeace commission workshop where designs are executed for his customers. The pillar chest of drawers which swivel from a central pole are one of many radical innovations.

Far left: A magnificent rounded chest of rosewood from a single tree topped in scarlet leather.

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## Teacher of medicine

Boerhaave's Men at Leyden and after  
By E. Ashworth  
Underwood

(Edinburgh University Press, £8)

The basis of medical education in the sixteenth and early seventeenth centuries in this country was not anatomy and physiology but the classical texts of Hippocrates and Galen. When an unfortunate doctor in the reign of Elizabeth I declared that Galen was sometimes in error, the President of the Royal College of Physicians got him imprisoned. What was good enough for Galen in the second century was good enough for London in the sixteenth.

Until the advent of Harvey English medical studies were a backwater as compared with the great European centres like Padua, Montpellier and Leyden. A Regius Professor of Medicine in early seventeenth-century Oxford, required by the terms of his appointment to do four dissections a year (he declined to do so (according to one account) because he became ill at the sight of blood).

To the tyranny of ancient authority and the incompetence of contemporary practice there was added the further disability that the only two universities which existed in England required that their graduates be members of the Church of England. All others were excluded from admission to the degrees. For these reasons the University of Leyden since its foundation in 1575 had opened its doors to all men irrespective of faith. And it was here that Herman Boerhaave, "probably the most successful medical teacher who

ever lived" taught from 1701 until his death in 1738, attracting students from all over Europe, of which a large number came from the British Isles, including many who had already spent some time at Oxford and Cambridge. It became the task of Dr E. Ashworth Underwood, whose description of Boerhaave I have just quoted, to trace the subsequent careers of all the English speaking doctors of the century who at one time or other studied under him. The result is a book of 170 pages, a tribute to an eminent teacher and the completion of a work of devotion and commitment by an author who, after notable service in public health followed a second career as a distinguished historian of medicine.

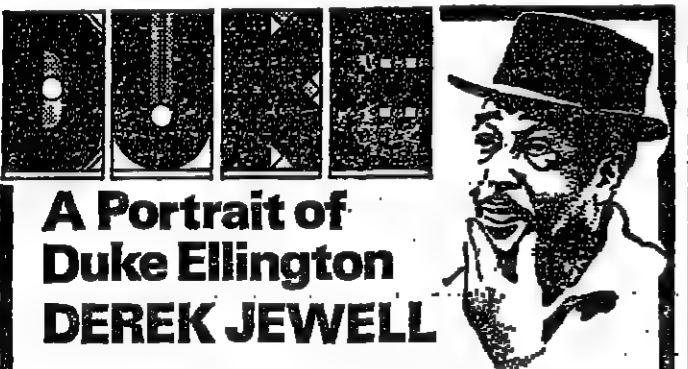
The result is quite remarkable. Fifty-five of Boerhaave's men became Fellows or Licentiates of the Royal College of Physicians of London and four Presidents; 50 were admitted to the similar institution in Edinburgh and no less than eight became President; and 25 were in the Irish College; 15 became President for one year or more. Forty-five of his pupils became Fellows of the Royal Society and, as Dr Underwood points out, for the greater part of 60 years, "the administration of the Society was largely in their hands". In addition, Boerhaave's pupils played a considerable role in the evolution of the London hospitals of the period.

It is no exaggeration to suggest that this outstanding teacher, the holder of Chairs in Clinical Medicine, Botany and Chemistry, contributed to major developments in the history of medicine in this country.

Joel Hurstfield

The Carlos Complex: a Pattern of Violence, by Christopher Hobson and Ronald Payne (Hodder & Stoughton, £5.50). Uses the notorious Carlos, the Venezuelan-born assassin and saboteur as the backbone for a revealing study into the ramifications and organization of international terrorism. The authors (journalists on the

Sunday Telegraph) show convincingly that Palestinian liberation as a cause is only an excuse, worldwide revolution is the ultimate aim. Could Carlos be another Gavrilo Princip? A frightening future, not least because no state, Israel apart, has yet learnt how to react against trained and organised international terrorists.



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## LORD GODDARD

### Fenton Bresler

Foreword by Lord DeMing

Lord Goddard, the last of the great English judges, was a man of extraordinary intellect and character. His life and work are a testament to the power of the law and the importance of the judiciary in a democratic society. This book provides a detailed and accessible account of his life, from his early years to his final days on the bench. It is a must-read for anyone interested in the history of the law or the life of a great man.

HARRAP & BOOKS

## Courage, intelligence and self-deception

A Life of Contrasts  
By Diana Mosley  
(Hamish Hamilton, £5.50)

"The Churchills lived in a world of their own," writes Diana Mosley, but all children brought up in large, loving and self-sufficient families believe the earth turns, or should turn, according to their clock—the Mitfords most of all. Indifference to public opinion she adds in the key sentence of her autobiography, "is an essentially aristocratic virtue; it is rarer than one might imagine." It is, and she has it.

Eccentricity and rebellion were, of course, quite normal in the house of Redesdale—Swinburne and Bertrand Russell were cousins, Nancy threw unwanted Christmas presents straight on the fire, and Farve would refer to women of whom he disapproved as "meaningless pieces of meat". Unity and Jessica we have met, and in her gentle way Lady Redesdale was scarcely less memorable. "At that time," writes Lady Mosley with characteristic asperity of the Second World War,

... communism was fashionable; once at Crux Easton somebody came with a collecting box and was met by Mum who was staying with us. "Mrs Churchill's fund for what?" "I heard her ask; she was for China," said Mum. "China's too big."

Diana, warned by Nanny not to consider herself the centre of the universe, was a "princely" and "Ramona", very slowly, as volunteers on the organ of the village church, so the first thing to be said about *A Life of Contrasts* is that it is wholly, if grudgingly, a Mitford book. The family is all, and no previous

account conveys more touchingly the loyalty with which each rallied round the disasters of the other in turn. The language, too, is characteristic: Farve is still "saintly", Greece "heavenly", sisters are "in deep despair" (ie, temporarily upset) and "brother Tom plays the piano 'divinely'". This is an ancient and formalized vocabulary which readers of Nancy's novels or Jessica's memoirs will understand and interpret with a discreet austerity: under the bubbles of gush a clear stream of critical intelligence never ceases to flow.

Well, almost never. For Lady Mosley has led a life and written a book not much in contrast: as of contradictions so startling that the reader will be flung between delight and dismay as he reads on. The contrasts lie not merely, as she intends them to, between the Mosleys' Temple de la Gloire, near Paris, where she has lived for 25 years, and Holloway Jail where, unpleasantly held without charge under Regulation 18B, she lived for three and a half; they lie rather between her highly sympathetic intelligence and her intractable self-deception.

Rub your eyes. Prepare to read once more of the powerful (and paid) "public opinion" in 1938 (would that Elizabeth Wiskemann were still alive!), that those who attacked the Munich agreement were "warmongers", and that Norman Birkett was the "paid" "unprincipled" man. The Allies were to blame for the German invasion of Norway, and subsequent Nazi atrocities are found implicitly modest against the records of Stalin, Leningrad and Mao. We live in a century of enormous



Family group, 1922.

moral hypocrisy and Lady Mosley attacks some of them—the concept of "public opinion", for example—with scornful courage in this book, but no more than her enemies is she immune to hubbub of her own. In, moreover, worse than humbly to repeat the old wickednesses that England was "responsible" for the outbreak of hostilities, and that it was the job of the world Jewish community, not the Nazis, to

save their brothers from extinction in Germany and Central Europe. (How would they have done that? She deplores the ineffectiveness of international committees herself. Perhaps a terrorist attack, then, such as killed her loved father-in-law Lord Moyne, in 1948? She deplores those, too.) It is not the cynicism of these views that saddens so much as the fatigued language—"paid creature", etc.—in which they are expressed:

Mitford vivacity is placed under wraps whenever the black shirt flies. Fortunately, this is not too often. *A Life of Contrasts* was completed before David Pryor Jones's *Unity: A Quest* appeared, and is the better for absence of recrimination on that front. Of Sir Oswald she says little that we should not expect—they have enjoyed a splendid and happy marriage and every one of his political predilections has come true—but it is more

disappointing that she chooses to tell us nothing about her first marriage to Bryan Guinness, that central event for all party-going memoirists of the late Twenties. Tantalizingly marvellous accounts of the wedding ("Oh, yes," I cried, "we will! Let's all meet in Cappodocia now!") and of a car crash in Rhodes are quite worthy of the *Villa Bodes* they helped to inspire and of which Diana is the dedicatee, while a brilliant sketch of Lady Evelyn Guinness is the funniest thing I have read since Hugh Trevor-Roper's *A Hidden Life*; but of Guinness himself the most positive information offered is that he didn't particularly want to go to Cappodocia, anyway. Students of the period may care to follow that.

Lady Mosley is an exceptional woman—Randolph Churchill was never kinder to her—and a natural writer with a poet's eye for the bizarre occasions of a century she considers, in terms of cultural freedom and political competence wholly inferior to that of Goethe and Voltaire; girls in Rhylowood, choosing books with red backs from the library so that they could colour their lips with the dye; herself under house-arrest after release, bearing a Messiah in the village church with the men from the Yard quickly postioned a few pews behind. Of prison she writes with precision and no self-pity and of close friends and sisters with wit and unselfish warmth. A pity about the hubbub, but if you can't see this coming, then you'd better not read this angry, exuberant, and sometimes infuriating book. To all those not averse to a little powdered glass in their *Bombes Surprise*, enjoy.

## Mapping the territory

The Novel Today

Edited by Malcolm Bradbury  
(Manchester University Press, £4.95; Fontana, £1.25)

In *The Novel Today* Malcolm Bradbury has collected a group of important essays on the theory and practice of novel-writing, most of them by practising novelists writing in the 1960s and 1970s. In his preface Professor Bradbury claims that at present there is "a debate, an international one, in which the business of the novelist is put under questioning", and claims further that the recent English novel, which is a combination of the novel and the short story, can often seem like an irrelevant and provincial backwater—is in fact a live, coherent and interesting part of a complicated set of changes in the way we look at fiction and its relation to the world.

His novelists are primarily English and American. Among the English he includes David Lodge's "The Novelist at the Crossroads", John Fowles on the process of writing *The French Lieutenant's Woman*, B. S. Johnson's archetypal debate about the need to reject "stories" because stories are "lies", and Iris Murdoch's classic, profoundly influential, and until now virtually unobtainable essay "Against Dryness". There is also Doris Lessing's angry, useful and dominating account of the making of the form of *The Golden Notebook* and the limitations of readers and critics' responses to it, and its complex style, partly parodic, certainly self-conscious relationship to

the modernist, or Tolstoyan "novel of ideas" and the realist "novel of situation".

Amongst the Americans we have Philip Roth and Saul Bellow, who are, somewhat ruefully too, but with an eye to extending their own scope, the quirk and limitations of contemporary American fiction. We have John Barth, in "The Literature of Exhaustion" talking about the modern disgust with the liberal respect for the self and the current adoration for the openly, comically artificial and fictive, which leads to an exposition of the importance of the intellectual seriousness of Borges's elaborate jokes and labyrinths.

There are two excellent American academic essays, to complete these, one, by Philip Sterner on the literature of "epiphany", which is a subtle, sophisticated, and obvious fabrication, which has succeeded the "epiphany" in inner consciousness and "symbolism" of modernism, the other, by Gerald Graff, a sceptical examination of "the myth of the postmodernist breakthrough" which argues that the aestheticism of modernism is simply developed and elaborated by those consciously rebelling against it. The French are represented by Barthes' excellent essay "The Novel as Research", a subtle exploration of the nature of the novel and the nature of the novel's relationship to the world, and some of Robbe-Grillet's polemic on behalf of the *roman expérimental*, the objective style, but not at the expense of this more judicious

and profound piece of thinking. I should also have been grateful to have had something German—Grass is often invoked, but the writers represented are all, apart from Böll, narrowly transatlantic and English-speaking.

I have listed all these partly because I trust that anyone, like myself, who has tried either to teach, to understand or to write a novel today will immediately recognize that the book is indispensable. It bears our Marxist friends' contention, both in this preface and elsewhere, that the novel, far from dying, is very much alive, and that formal innovation, changes of subject-matter, and emphasis are not only happening but are being recognized and intelligently discussed; and the writers themselves, both in their own work and in that of others. (Self-consciousness, in the writer, in the form, is a trait to which almost all these essays allude with an interest by no means disparaging.)

These essays, even the purely academic ones, are not arid exercises in explication. Nor are they, even the most concerned with particular problems of particular novels, stuff of the "how I sit down to write" kind. They are, like the criticism of Coleridge and Eliot, working in that "area" where reading, thinking deeply about writing, and the actual work of writing, clash or coincide. For that reason, and because they help to map a confused and crowded territory, they make exciting reading.

A. S. Byatt

## Fiction

The Great Pursuit

By Tom Sharpe  
(Secker & Warburg, £3.90)

The Madonna of the Astrolabe

By J. I. M. Stewart  
(Gollancz, £4.75)

By P. H. Newby  
(Faber, £3.95)

A megalomaniac and illiterate American publisher stands

truce-naked at the helm of his yacht in a storm, with a feminist literary agent of blissfully pneumatic obesity beside him. From the shore his wife, whose face and other corporeal accessories have been lifted so often that if she laughed too heartily she would collapse like a knicker around her ankles, dispatches an explosive cabin cruiser at him as a fire-boat. The only author who can mount and carry off a scene like this with style is Tom Sharpe. His latest farce concerns the world of books: a fertile field for his rude satire and scurrilous satirists, rich with vain authors, venal literary agents, greedy publishers, English maniacs who make a gloomy religion of literature, and idiot reviewers spewing out the presumptuous pap of progressive opinion. He devastates them all with this tale of a best-seller, a *Lolita* in reverse of indescribable prurency about a 17-year-old stud and an octogenarian woman, which does for graffiti (a collage for old women) what *Antlia* the Hun did for race relations.

Tom Sharpe is the funniest novelist writing today. One of the advantages of being alive in the 1970s is that always around the corner of the year there is the prospect of a new and extravagant fireworks display from Sharpe. As usual his characters are witless, grotesque, and where the cynics would see the last people in the world one would wish to sit next to at dinner, or share a bedroom or a cabin cruiser with. As usual, after having it off in every direction to construct a Tower of Babel of plot, with crazy deadfalls of coincidence falling on everybody's head, they get their comeuppance in the

appropriate circles of *Hellzapoppin*. If duty demands that one should carp as well as fall about laughing, the plot thickens and becomes unly diffuse after what might aptly be described as the climax of the instant success of the best-seller. But then lunatic complication and diffuseness of plot never hampered Wodehouse either.

J. I. M. Stewart's dodder of dons would characterize as his penology of Oxford novels continues the pleasant story of a college marvellously like Christ Church. The sequence is an engaging celebration of Oxford mannerisms, rich with urbane conversation and streams of Oxford consciousness running as leisurely as the Cherwell.

The action includes the appearance of omniscient cracks in the fabric of the great tower like Tom, and the discovery of a hitherto unknown masterpiece by Piero della Francesca. The promise of a college of the narrator reappears to arouse havoc among the undergraduates, and the painting of the eponymous Madonna disappears from the senior common room in circumstances mysterious enough to tickle the pen of Michael Innes. The narrator is supposed to be a successful playwright, but he talks and thinks just like the rest of his senior common room. When he starts to take a mild interest in a young woman, it seems natural for him to say to himself: "It was reasonable that we should a little advance in reciprocal acquaintance from time to time." The dons, eremical, subtle, temerarious, pedantic, or plain odd, have minds with a propensity to slip into literary grooves. They emerge as more endearing people, and Oxford emerges as a more agreeable and interesting place, than their counterparts from the typewriter of Lord Snow. But that is an instance of art imitating nature.

P. H. Newby is off again on safari in his happiest and most rewarding hunting-ground, up the Nile during the last years of the Egyptian empire where the Egyptian women are more mysterious than the English variety, and the Englishmen are suitably baffled by sex, war, and teleological un-ness.

This clever black and khaki Nilotic comedy concerns a young private soldier abroad *Exposure* and *Porterhouse Blue* have been reassured by Secker & Warburg at £3.90 each.

beautiful and unattractive Copt whom his black sheep uncle has married: a little less than kin and more than kind. His encounters with this serpent of the Nile mark him for the rest of his life towards elegiac ending. But I have minor news for the sporting Coptic patriarch and Mr Newby: Mr Mulliner was no golfer, though no doubt he had a nephew who won the Open in cloudy circumstances. I have told his brilliant stories not in the clubhouse beside the nineteenth hole, but in the bar-parlor of the Angler's Rest.

*Sombrero Fallout*, by Richard Brautigan (Cape, £3.50). There are great embryos in his choice in fiction this week, with too many good books competing for too little review space. Brautigan's new "Japanese novel" is a brilliant, funny, and strange whimsy about a heartbroken American boy, the last with a sense of humour whose discarded short story about a sombrero takes on a sinister life of its own. It is as clever and delicate as a masterpiece of origami.

A Shadow of Gulls by Patricia Finney (Collins, £4.25). This lively and accomplished first novel, written by a girl of 17 who goes up to Wadman next year, historicizes the mythology of old Ireland in her choice of Robert Graves. The Great Gaels of Ireland, with their merry wars, sad songs, barbaric legends, and perverted love of blood and battle, make a splendid good fiction. They seem depressingly appropriate heroes for their putative modern descendants, who are less heroic but almost as bloody.

*Son City*, by Tove Jansson, translated by Thomas Teal (Hutchinson, £3.50). When good Americans eventually grow old, they are packed away to sit in rocking-chairs in rows on verandas in the sun city of Florida to wait for their final departure. Tove Jansson, the Finnish woman writer who is best known for her children's stories, is honest, moving, and even funny about those unmentionable topics for our anxious generation of old age and death.

Philip Howard

Tom Sharpe's earlier novels, *Riotous Assembly*, *Indecent Exposure* and *Porterhouse Blue* have been reassured by Secker & Warburg at £3.90 each.

## The margins of history

When Miss Emmie Was in Russia  
By Harvey Pitcher  
(John Murray, £5.95)

Charlotte, the Ransavay governess of *The Cherry Orchard*, was ostensibly German: she could have been English. Her prototype, "a small thin creature with two long girl's pigtails and wearing a man's suit", was an agile English eccentric whose nonsense-talk Chelchov shared: she was a neighbour when in 1902, on the estate of Stanislavsky's mother, he had begun to map his play. Because the dramatist insisted that Charlotte "must definitely be German, and definitely not small", the likeness has always been disguised. Probably just as well: this woman has nothing in common with the people, veterans now and attractively serene, that Mr Pitcher has talked with: Miss Emmie, say, or Rosamund Down. Certainly, eccentric English types existed (see Chelchov's early short story, *A Daughter of Albion*); but Charlotte's original has slipped into the dark.

To dwell on her may be unfair: so much of this book is post-Chelchov. Its principal girls saw the apparently immutable background of Imperial

hundred years. As his secondary title explains, Mr Pitcher is chronicling "English" governesses before, during, and after the October revolution. They were figures familiar in upper-class Russian society, but not in the social history of two countries. Though it might seem that the girls had simply to speak their own language correctly, they needed to be calm, observant, reliable, and far from eccentric: indeed, to resemble Miss Emmie's Russian Dashwood (now 87) from Norwich. Her first post in 1911 was near St Petersburg (I wonder whether she saw there Charles Sydney Gibbs, who would become tutor to the Tzarvich?), and she went to Moscow. Here in the course of not too arduous duty, she met a German doctor who claimed to speak English.

"How do you do?" he said to her. "I love you. Beefsteak." Ingeniously, Mr Pitcher has managed to cross-cut personal stories with a historical record. He evokes Miss Emmie's domestic routine in country and town; and we meet the versatile "Scottie" who "got dried of my easy seat" as a governess, and Helen Clarke, for whom nothing at all was easy in the alarms of the revolution. These agreeably masterful girls saw the apparently immutable background of Imperial

Russia, shattered before them. In the Moscow household of the actress Garmova, Emmie lived, during the six days of October fighting, in the vestibule of their flat where they almost exhausted the supply of black rubles. Far more dangerously, Helen Clarke had an agonising train journey from Baku to Kharkov in a compartment meant for thirty persons at the most, that held over a hundred.

A book as surprising as unpretentious, it is a report from the margins of history. Oddly, I relish most two casual sentences. (Emmie is in the Crimea during the winter of 1918-19): "This is not the kind of weather we expect here," said old-faced Russian lady of distinguished appearance when she and Emmie passed one another out walking on the beach. She addressed Emmie in English, correctly assuming that no one else but an English governess would be out of a walk in such rough winter weather.

The Miss Emmies, imperishable souls, did far more than this. I keep asking myself now how Charlotte Brontë might have behaved in the circumstances.

J. C. Trewin

The price of *When Men and Mountains Meet*, by John Keay, reviewed last week is £6.50.

## Blakey boot boy

Song of the Battery Hen

Selected Poems 1959-1975

By Edwin Brock  
(Secker & Warburg, £3.50)

Here. Now. Always.

Fragments of Childhood—

Autobiography in Prose and Poetry

By Edwin Brock  
(Secker & Warburg, £3.90)

Dickens's Mr Grimwidge claimed that there were only two sorts of boys—mealy boys, and beef-faced boys. He was wrong.

There is a third boy—the poetical sort that is growing up

with all his memories intact: the sort that in middle life will commit the virgin years to paper. We may call this boy the about-face boy, because he looks back, not always in anger, to the meal or the beef that he was, judging from the prodigious detail of his memory, it is plain that the about-face boy starts making autobiographical notes on the back of his bib with a stick of licorice.

The about-face boy can be mealy or beefy. In recent times English poetry has had one goody-mealy, James Kir-

kup—and two shirlins, Laurie Lee and Dylan Thomas. I am not certain which category Edwin Brock belongs in. To be sure, he tells us prominently in both these books that he once wore Blakey-boots. On the other hand he does not ever seem to have qualified as one of those really rough boys who were not allowed to play with Stephen Spender.

Brock is a poet (the about-face boy wears his poetry like a badge), and on the whole, his autobiographies are as truthful as *Here. Now. Always* has the merits of the verses assembled in *Song of the Battery Hen*. At best, as in the title poem, his work is distinguished by an unusual combination of plainness and intensity. Here he is identifying himself with the Battery Hen:

But even without directions, you'd discover me. I have the same orange comb, yellow beak and burnish feathers, but as the door opens and I hear about the electric fan a kind of one-word wall, I am the one who sounds loudest in my head.

I have heard Brock reading this aloud, and can report that it is effective. Someone who has not had that experience

might wonder how, since although the pathos and the passion of the statement are apparent it is not an obvious why we should consider it to be in any significant sense poetry. Brock's verse forms seem based upon the counting of syllables, where there is any realizable vertebra at all. Too often there is not, and we are evidently required to give assent that this is "poetry" merely because it carries itself with an air of observant and self-deprecating truthfulness.

The autobiography perks up, interestingly, when Brock allows his memories to run on a bit later than his childhood days, as when he tells of his time in the Royal Naval Barracks in Hongkong, waiting for his demobilisation, by a reading of *The Penguin Book of Modern Verse* to his first ambitions as a poet. Or when he tells the story of that interview in the *Daily Express*—PC 258 Confesses I'm A Poet—which established him briefly in the public gaze as the Policeman Poet. He has outlived that irrelevance, as he has survived the irrelevance of copywriting as an advertising

Robert Nye

## Barry's masterpiece

Mid-Victorian Masterpiece

By Barnett Cocks  
(Hutchinson, £6.95)

"The story of an institution

unable to put its two house in order," reads Sir Barnett Cocks's sub-title, and immediately underneath the words on the jacket spreads Picken's lovely lithograph, circa 1875, of the Palace of Westminster from Big Ben tower at one end to the Victoria tower at the other, seen from the south bank of a Thames lively with assorted craft, sail and oar and steam.

What on earth is the former editor of *Erskine May's Parliamentary Practice* up to? Surely not an apology *pro vita sua* for his days as Clerk of the House of Commons?

Certainly not that. Here, with a devotion to Barry's neo-Gothic masterpiece that most of those for whom it is work, shop, club, bank post office and much else quickly come to

share, Sir Barnett tells the story of how the Palace came to be built, the outrageously mean and muddled treatment meted out to Sir Charles Barry, the architect, by members of both Houses through the long years of construction, and the sins committed against history into modern times by Ministers and MPs who filled in his carefully designed courts and then poured millions of pounds of taxpayers' money into the trophy of an underground car park that has ruined New Palace Yard.

In recent years MPs have increasingly describe the Palace as their workshop have been greedy for more and more space. Unlike their forefathers they have not been content to have no more logistic support than rows of small personal lockers in the Ways and Means corridor: they have demanded offices and filled the building to overflowing with staff. They increasingly turn themselves into executives for whom the much else quickly come to

Commons, is only incidental. Barry, and his genius of a decorative designer, Pugin, they could return from the grave, would be appalled by the evidence of succeeding decades of vandalism.

Sir Barnett's is a book to cherish: rich in research, authoritative at every point, and written from the first line to last with a delicate irony that the neutral, legislative tone of earlier editions of *Erskine May* permitted no hint of.

Sir Barnett, a Devonian, comes of a family that built some of the sturdiest steel ships in Victorian times. He once told me that they had a record for unshakability, because every single rivet was driven home by 150 hammer blows from Devon muscle. As his forebears built ships, so he has built his monument to the great and sorely harassed Barry. His book is unmistakable, and he has ensured that Barry's reputation, too, shall live.

David Wood

Reviews next week include Michael Ratcliffe on *The Autumn of the Patriarch*, by Gabriel Garcia Marquez, on Monday: Paul Theroux on *Roots: the Saga of an American Family*, by Alex Haley, new poetry reviewed by Robert Nye, and new fiction by Susan Hill, on Thursday.

# SAVILLS

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# Find a Buyer in the Times

David Bonavia examines the effects of earthquakes and civil unrest

# China's leaders hope Mao can still help them to clear up the mess

Shanghai, April 13

To visit China again for the first time since the Peking riots a year ago is an experience like being in a time machine without knowing which way the dials work. In some ways the country seems to be shooting forwards, in other ways it is standing still, and in still others there seems to be retrogression.

The mood of the people varies from place to place. In Peking they seem somewhat dazed, even apathetic, as though all the political and seismic shocks last year had left them in a state of mind where nothing can surprise them any more, as they wander in and out of the mud and brick huts, half below ground level, which thousands have built since the July earthquake.

In Hangchow there is still reluctance to discuss the severe civil strife which shook the area from 1972 until this year, as is now officially confirmed. But the reluctance is on the part of the local people, while officials based in or responsible to Peking are quite forthcoming about the riots and strikes in Hangchow and other parts of Chekiang province.

In Shanghai, where there was no earthquake but where an armed mutiny against Peking was only narrowly averted last October, the people are relaxed, grinning and waving at foreigners in a manner not encountered early last year. A symbolic sight this week was that of two porters with banners, drums and clashing cymbals going to the home of a veteran dock worker to present him with a framed certificate of merit—hardly a form of material incentive, which is still officially shunned in Chinese industry, but a symbol of the great emphasis being laid just now on production as against "class struggle".

The need for a period of stable political life with firm central guidance in order to build up the much troubled economy is understood to have come strongly through the talks which Mrs Margaret Thatcher had with Chairman Hua Kuo-feng and other Chinese leaders. The leadership is evidently feeling tremendous relief at the success of the coup on October 6 which



Chairman Hua with Mrs Thatcher: the talk was of stability.

resulted in the arrest of Chiang Ching, Chairman Mao's widow, and her "radical" associates in the so-called Gang of Four.

According to what party and security officials are now prepared to say in Shanghai, it was touch and go for a good week after the Peking arrests as to whether the million strong city militia would be persuaded to take to the streets and denounce Chairman Hua's group as counter-revolutionaries. Since they were relatively poorly armed, and had little ammunition, such a mutiny would have been crushed as long as the regular armed forces obeyed orders, but it would have been a messy business.

Now the Shanghai people seem angrier than anyone. Madame Mao and her friends for having brought disrepute on their city. At a commune in nearby Kiangsu province we saw wall cartoons in which Chiang Ching was shown as saying: "Tell Shanghai to act".

None the less the leadership's problems are far from over. The most controversial single issue remains the question of the rehabilitation of Mr Teng Hsiao-ping, the former deputy prime minister, vice-chairman of the

party and effective head of government until Chiang Ching had him thrown out of office a year ago.

There was widespread speculation both in Peking and in Hongkong that Mr Teng would be brought back to a senior position before the anniversary of the April 5 riots. Last week people were standing three deep outside the editorial office of the *People's Daily* in Peking, minutely examining that morning's edition in its glass-fronted display cases, and most probably looking for some indication of Mr Teng's return. Foreign Ministry officials assured us that he would return fairly soon, though one said it might not be until the autumn. Yet only a week before it was reported from London that a Chinese diplomat there had said Mr Teng would be back in time to greet Mrs Thatcher.

Clearly the issue is a difficult one. Every reliable report suggests that the people want Mr Teng back to help to run the country, even if they do not bear him the personal affection which they have for the late Prime Minister Chou En-lai. It is simply felt that Mr Teng is the strongest and most effective political figure available to help Chairman Hua and the rest of the leadership to sort out the mess left by years of extreme left-wing policymaking.

But an issue of this magnitude cannot fail to be controversial, and some highly qualified foreign observers in Peking, as in Hongkong, believe that influential sectors of the leadership are presenting growing opposition to anything more than a titular or advisory role for Mr Teng.

The split is seen roughly as being on north-south lines, with some senior civil and military leaders in Peking, and possibly Manchuria, harbouring misgivings about Mr Teng's return and perhaps even delaying it by filibuster tactics, while the emerging military and civilian power block in southern China is becoming impatient with the delays, and supports Mr Teng strongly.

It should be emphasized that Chinese officials would dismiss all such speculation as unfounded. But past experience has shown that these disclaimers are simply in the Chinese tradition of presenting a united front to outsiders and regarding their domestic policies as their own affair and no one else's, except in certain cases such as the Gang of Four episode where they wish to set the record as they see it straight.

At all events the Ching Ming festival passed off quietly without demonstrations or disturbances. Some observers believe that this was aided by the drought scare in northern China, where the young people were marched out to the countryside in droves just before the anniversary, on the ground that they were needed to water the fields. The next political milestone is to be the publication of the fifth volume of the late Mao Tse-tung's selected works, edited by Chairman Hua.

Official press reports say printing works, transport authorities and bookshops are getting ready for the rush when the book starts coming off the presses. This is understandable since the very selection will be a clear indicator of the policies which the leadership is planning for the next decade or so, and for which it will find justification in previously unpublished speeches and articles by the late Chairman. Certainly the publishing scene needs a shot in the arm. I found Peking's main bookstore half deserted whereas in past years there have always been jostling crowds round the counter selling new political works.

## Elections: let us keep our representation in proportion

Ronald Butt

It may very well be appropriate for some kind of proportional system to be adopted for the British members of the European Parliament, when this country begins to elect, by some direct means, its 81 members of that body. Because of the size of the European constituencies, and the smallness of the number of British members of the Parliament in Luxembourg or Strasbourg, compared to the Westminster Parliament, a proportional system may well seem the only way of avoiding serious inequity between the MPs of minority parties in the European Parliament compared to its vote. The consequences of a swing of votes in an election could well be unacceptably serious for the chief minority party, as well as for smaller third parties.

We shall, however, make a serious mistake if we go on from this to allow ourselves to be persuaded that what is appropriate for Europe is appropriate for Westminster. If British members of the European Parliament will remain in the problem will be the model on which the domestic electoral reformers at home will seek to build, but we should be very wary of being influenced by the appearance rather than the reality of logic.

The European Parliament and the Westminster Parliament are fundamentally different in two ways. First, even when the European Parliament is fully elected, it cannot in any foreseeable future have political power comparable to the power of Westminster. The federalists and confederalists may not like this, but the fact remains that there are no prospective signs of a change in the fundamental French insistence and, even, perhaps in the general British instinct, that the decisive voice in the Community's affairs should be the Council of Ministers, each member of which represents his own country and the majority in his own Parliament, first and foremost.

The second, and much more important distinction between the Parliaments of Europe and Britain, is the fact that a proportional system for Europe will rob the elector of nothing since whether his 81 MPs are nominated, elected by a first-past-the-post system, or sent in by some kind of list arrangement, those MPs will only be a fragment of the European patchwork quilt of power.

Whatever the European system, it is simply not possible for the British elector, when putting his cross against one of the European candidates or parties, to say: "If my party gets a majority, then I shall virtually have elected the government and shall know more or less the sort of government I shall be getting since the parties' policies have been revealed to me by the experience of years, by my acquaintance with its leading personalities, by its manifesto and what has been dragged out of it during the election campaign."

Whatever pacts are made between like-minded parties across the internal frontiers of the EEC between socialists, conservatives, liberals and other groups from the various member nations, this will remain true. Nor, if we face the facts, does the cooperation between groups amount to much in the present state of the Community, particularly bearing in mind the difficulty of determining who precisely should go to whom in some cases. Is it, for instance, the Gaullists or the Giscardians who ought to be the natural allies of the British Conservatives?

The problem of presenting a common front and common programme of like-minded European parties so as to be able to say to the electors: "If you vote socialist in Europe, you will be doing the same sort of thing as a voter opting for an equivalent party in (say) Belgium or

Italy, is enormous. But even so, this is not the factor of chief importance when it comes to comparing the European Parliament with that of Westminster in terms of electoral systems.

The fundamental distinction is that the voter for the Westminster Parliament knows that, if he is successful, he is electing a government. He is being asked (with due respect to the Liberals) two basic questions: do you want that government or do you want that one? Answer "yes" or "no". This is a quite impossible question for the Briton (or anyone else) as European voter to be asked or answered. And it would become an impossible question in an election for Westminster if the electoral system were changed.

Now, of course, the electoral reformers would say that it is not a proper question to put for Westminster either. They would say that politics cannot be so clear cut as to make that kind of choice effectively available to electors for Westminster and, indeed, that the mod of politics that ignores the third force (the Liberals) and the fourth force (the Nationalists) (and perhaps we should add the extreme right and left) are unfair if not unequal policies.

Yet, in the end, in most of the important things of life, questions have to be resolved down to "yes" or "no" to produce something like a clear action. Are you going to get married to a particular person, or are you going to get married to someone else? This job for that—all these are questions that have to be answered clearly. And on the whole, it is a source of power for the individual citizen, not a lack of it, if politics can at least give him the chance to say "yes" or "no" to a particular nationalization or no more nationalization (or some other such issue) and I vote for this or that party accordingly."

### We should not throw away our electoral power for the sake of a false logic

Now, of course, even under our present system the elector may not manage to set the clear parliamentary verdict he wants. When that happens it creates problems, as it has done in this Parliament. It may be healthy in some circumstances that the elector should be able to vote "not proven" in the main options in front of them, and the results of the 1974 elections showed that, under our present system, when feelings in this direction are strong enough, it is perfectly possible for the elector to give such a verdict. But they should not be encouraged to "duck the questions" "yes" or "no" in favour of saying: "Don't know: we leave it to the centre party to do a deal." For that gives far too much power to the minority parties that hold the balance of power.

If we were to adopt a system based on the separation of the executive and legislative powers, electing our President or Prime Minister independently of Parliament, then there might be something to be said for a proportionately elected Parliament without decisive majorities because it could not unseat him, and because the elector would have had a clear choice in the vote for the Executive anyway. But nobody is suggesting that solution. We should therefore not lightly throw away our great electoral power of

decision for the sake of a false logic with Spangshur.

Nor should we lightly embrace a society in which we permanently live with the kind of deal now done between Mr Callaghan and Mr Steel, in which the voters who voted Liberal could have had no idea of the consequences of doing so, and which has given a totally disproportionate power to a small band of Liberal MPs to say which major party should govern the country. The election of 1974 could not possibly have known that, at least Mr Steel, who was not their leader, is (as I think he is) a politician who was hardly likely to lead the Liberals in alliance with the Tories in any circumstances because of real temperamental affinity with the social democratic wing of the Labour Party.

Of course, the present system appears statistically unfair to third parties, and particularly perhaps to the Liberals. Yet it is also more fair than it seems because very many of the people who vote Liberal are not taking a deliberate decision for Liberal policies; they are making a gesture of temporary discontent against one of the other parties.

It is often said that the trouble with the present electoral system is that it leads to too much instability. As an electoral reformer I am not through my door put in: "Every time the government changes, I do not know what to expect. I am not sure of the policies, and I am not sure of the people with whom I am dealing. Previous policies are not just modified, but reversed. And this kind of reversal reflects the true wishes of the majority or gives us the stability, the natural evolution, that takes for good government."

Stability should not be a policy in itself. It is a policy in itself if the electorate wishes. How is this Utopian world of the electoral reformer to be achieved? Why should everything be at the mercy of the so-called "bookish" opinion (which is not a very popular opinion), while politicians will do deals with each other to monopolize power, turning politics into a grey area for people who want to do something basically different, and reducing everything to the stereotypicalness of the small "Liberal"?

What should post-election decisions determine the way in which we are governed: why should the Labour left and the Tory right have some say in the direction of things by joining in a coalition of the same general disposition (as is now the case) to influence policies instead of being driven into a permanent limbo leaving all effective power to those who would create a world in the image of Mr David Steel?

We really ought to be very careful not to give anything to the "bookish" opinion, which incidentally many Germans seriously envy, much as the elector reformers may covet their system simply because a dead-end system may be better than the European Parliament which has no comparable power to lose and I suspect, no comparable power that it can ever gain under whatever system.

Such European Diet may, perhaps, have a certain reality if Charles de Gaulle's Empire comes to an end, but it is a trouble with Charles de Gaulle's Empire, of course, that it is a broken up. I suspect that if the most gorgeous European Economic Empire can now be created, the real democratic power (as distinct from the sort of power) will have to be exercised through national democracy. We have still a rather effective version of it in Britain. Don't let us be seduced into ruining it by false comparisons.

## Is the Bonn bubble about to burst?

West Germany always seems such a smooth and successful country that it is difficult to know what to make of the way Germans see themselves. One could have come away from the recent Anglo-German conference at Königswinter with the impression that the country is tottering on the brink of crisis, its institutions failing, its parliament by-passed, its people alienated, and its energy supplies threatened by catastrophic crisis in the next decade. Yet for the moment inflation remains around 4 per cent, the currency is in fine shape, the balance of payments is healthy, living standards are high, the streets clean and safe, and strikes rare.

The Germans are great worriers, of course, so a lot of what they say should be taken with a pinch of salt. Nevertheless, it is true that the country is somewhat more troubled than it may seem to those whose troubles are greater. Nothing is going right for the government at the moment. It has just seen its urban strongholds in Hesse topple like dominoes in local elections and Herr Helmut Schmidt, who won last year's general election as a dynamic and decisive manager, is now depicted on the cover of a news magazine

gazing gloomily across a headline which asks "Who will save Chancellor Schmidt?"

Since a bad muddle over pensions, when the government seemed to be breaking an election promise, problems have come thick and fast. A series of revelations about unauthorized bugging has undermined faith in the probity of the state, even if a fair number of people feel their security may sometimes be more important than strict legality. Bitter rows with the new American administration over allegedly unfair testing of a new German tank and some what bullying attempts to stop Germany selling a nuclear reprocessing plant to Brazil have shaken confidence in the special relationship with Washington. At home the Young Socialists have elected a far-left leader who has had to be hauled back from joining forces with a communist demonstration. Then there are the usual worries about East-West relations, the Soviet build-up and the faltering advance of the European Community.

Much of this amounts to no more than a fairly normal rotation of troubles for a democratic government, but there are three other problems which provoke deeper unease. One is that the recession is not receding in the way it should

if it were of the normal cyclical variety. Industry is still working to only about 80 per cent capacity, unemployment remains stubbornly over the million mark, investment is not picking up, and even where there is investment it is of the kind that reduces rather than increases the number of jobs available.

In fact well over a million jobs have vanished since 1970, and although departing foreign workers provide some cushion the country is now contemplating for the first time since the Second World War the prospect of an uncomfortable level of unemployment more or less permanent.

The second problem is that protesters have virtually halted the vast nuclear power programme which was to have met West Germany's energy needs in the 1980s, threatening a spectre of severe limits on growth and even higher unemployment. According to OECD estimates a growth rate of 4.2 per cent a year is required to reduce unemployment. A rate of 3.5 per cent would merely prevent it from getting worse. This requires an annual growth in energy supply of 3.2 per cent, which is unlikely to be available.

The Königswinter conference was told by Mr Ian Smart, of the Royal Institute of International Affairs, that there was no way of satisfying even conservative projections of West German oil demand in the 1990s, since even if energy demand could be held down to 3 per cent in 1985-2000 western Europe would, by the year 2000, need to import an entirely incredible 72 per cent of all

the oil then expected to be available (its share of international oil trade is now about 42 per cent). Even that assumes bringing into operation 20,000 megawatts of nuclear reactor capacity every year from 1985.

These figures are, of course, contested, not least by the civic action groups in Germany who constitute the third reason for unease. It is estimated that there are now something like 50,000 of these groups protesting not only against nuclear power stations but also against the destruction of old buildings, the erection of new buildings, new roads, and more sadistic playgrounds and homes for handicapped children. The most spectacular success achieved so far has been the Freiburg court order halting construction of a nuclear power station, but many smaller unsung victories have been won around the country.

The extent of this activity is something new in the history of West Germany and its significance is still being debated. It certainly marks a break with the tradition of deference to authority, and in some cases it reveals more than that—the profound distrust and anger of people who feel not only that decisions affecting their lives are being taken above their heads but that these decisions may also be wrong. "It's up to you to justify your action," said a young Social Democrat in reply to a demand that the protesters against the nuclear power programme should justify their cause.

The politicians are in a dilemma. They cannot easily dismiss these groups as mere trouble-makers, although com-

munists and others have tried to exploit them. Equally they cannot surrender decision-making to them. Herr Kohl, leader of the Christian Democratic Opposition, has said that they represent the legitimate expression of the right of free speech in the assembly and that they "point to changes in the deeper levels of human and social reality, the insecurity and disorientation of many people. It is an important task for politicians and parties to take this seriously."

Herr Willy Brandt, chairman of the Social Democrats, has said that a lively democracy "amounts to more than the process of parliamentary decision-making". However, many politicians worry that the rise of the protest groups is at least in part a result of allowing too much decision-making to slide into the hands of the bureaucracy and big organized pressure groups.

Many of the protesters against nuclear power are quite frank that their aim is not primarily to halt or delay the building of power stations but to provoke creative rethinking in political and social affairs, to raise public awareness, and to switch more resources to the conservation of energy and the development of alternative sources. If they are proved right in the long run, the protest groups will have made a very significant contribution to West German development. If they are proved wrong they will have to share responsibility for a potentially catastrophic energy shortage in the next decade which will make Herr Schmidt's present troubles look laughably small.

Richard Davy

## "If I wasn't in constant pain I would know there was something wrong"

(Laura, aged 76)

We didn't hear a word of self-pity from this cheerful old lady. Her plucky endurance has to cope with a landing toilet shared with four others, and a drab depressing room.

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## The Times Diary

### A royal coffee-table TV show

horse-drawn carriages, and the Queen Mother also has a royal press release which begins with a disclaimer is to be treated with the gravest suspicion. Thus when I read that *Royal Heritage*, BBC TV's major contribution to the Silver Jubilee celebrations, is not merely a story of Kings and Queens from medieval times up to the present, I reached for my scepticism.

I was right to do so. For to judge from the two instalments shown yesterday to the press (and later to the Princes Philip and Charles and BBC officials), the omission of the word "not" from that sentence sums up the series quite adequately.

True, the narrative is fleshed out with views of the buildings and works of art which monarchs have commissioned, bought or otherwise acquired. In essence, though, the programmes constitute a monarchist history lesson, with Sir Huw Wheldon acting the role of teacher, and doing it in the best possible taste.

He is helped out by some of the royals themselves, led by the Queen. She opens the initial programme with a crisp commentary on the crown jewels, which she just happens to have about her person, since the scene was filmed on the day she opened Fortnum. Her presentation was deadpan, except when she mentioned Cromwell, of whom she clearly and understandably disapproves.

We also saw Prince Charles talking learnedly about the drawings of George III. (I have discovered that the reason the Prince speaks so indistinctly is that, in East Anglian fashion, he talks without moving his top lip. Watch programme five and you will see what I mean.) In another programme, I was told, Prince Philip talks about

This, claimed the elephant woman, showed the public opinion was moving against nastiness to circus animals.

She based her assertion on a letter written to a friend of hers by David Coulson, the publicity manager for the Royal Borough of Windsor and Maidenhead jubilee celebrations. He wrote that the circus acts which the Queen will see at the Windsor big top on May 28 would include no wild animal acts "since the performance is being given in the presence of the Queen and she has to take account of public opinion, to say nothing of the RSPCA."

When I spoke to Coulson about it he seemed a little agitated. "The Queen has to take account of vociferous elements of public opinion whether they are minority or majority," he explained. In any case, it was not strictly speaking a circus that she was going to see. It was a show in which variety acts and circus acts would be mixed. And although there would be no wild animals, they might sneak in a horse or two.

He said the decision to exclude wild animal acts had been taken after consultation with the Royal Household, who had "done more of these things than you've had hot dinners". He thought I would do better to write about the £250,000 that had been raised in the borough for the jubilee appeal. "That's more about what the spirit of jubilee is about."

A spokeswoman at Buck-

ham Palace, though, denied that members of the Household had taken the initiative on excluding animal acts. So far as the Palace was concerned, she said, the event was listed as a variety show *tout simple*.

The Queen had been to circuses, she maintained, and would do so again. But when I asked her to give me some instances, she was unable to do so after a fairly long check. Being Queen may not be as easy as it looks.

### Carpeted

Passengers on London Transport's 25 silver jubilee buses will be relieved to know that the red, black and silver-grey carpeting throughout is of pure new wool and fire resistant. So smoking is allowed on the top decks and you are requested to drop cigarette ends straight down below the seats, not grind them out on the carpet which runs along the centre aisle.

While it is necessary to take up the downstairs carpet to get to the gearbox in case of trouble, London Transport scotch a rumour that they have to bring in the makers to do it. The fitters manage it by unscrewing side runners.

Not surprisingly, none of the entries came up to scratch, so the firm decided to donate the prize to a good cause. Summer, one of two survivors of the original RFC at Chelsea, seemed a very good cause indeed, retaining as he does a taste for both flying and whisky.

He has flown a few months ago in the co-pilot's seat of a First World War biplane at the Shuttleworth Collection in

do you think we can keep Mrs Trudeau in the Commons wealth?



### Seascapes

For the past 10 years the Marine Society has been directing artists to sea to teach seamen to take up the brush for something other than painting the side of the ship. Some have stayed for three years, one named 12 months.

"It's quite a demanding job," said the society's director, Dr Ronald Hope, who is now looking for another recruit, preferably a young man with one or two years' teaching experience, to do a job which pays £2,100 a year, plus free board and lodging, a superannuation fund.

The society, founded in 1755, is the world's oldest maritime charity. So far it has not been found possible to send a woman to sea although Dr Hope says he would love to. Wives who go there either husbands' cabins, but ships, especially older ones, are not suitable for the single girl.

Opposing an application to erect a plaque in Beaulieu Forest, Yorkshire, according to the *Yorkshire Post*, "We are going to set up with waste crosses like they have in Ireland. God forbid we should ever put these up. The Lord is notoriously broad-minded, but it seems over-optimistic to expect His intervention in this direction."

PHS



ing officer had been persuaded  
provide official RAF transport  
once a month. Operation Sea-  
set off, with many volunteers,  
a day by the sea. And the  
cers were again enjoying their  
-laid, hard-earned breakfast.



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## Central Government borrowing drops more than £4,500m below forecast

By David Blake  
Economics Correspondent

Central Government borrowed £1,206m in March, to bring its total for the 1976-77 financial year to £3,835m, more than £4,500m less than was expected at the time of the 1976 Budget. Latest estimates from the Treasury show that during the year revenue exceeded government predictions while expenditure from the Consolidated Fund was lower than expected because of tight controls and falling interest rates.

Total Consolidated Fund expenditure was £39,374m compared with expected expenditure of £39,915m. Spending on goods and services covered by the Supply Service Estimates was £130m more than predicted in the Budget, in spite of inflation persisting at much higher levels than was thought likely last spring.

Interest rates, on the other hand, moved in the Government's favour so that the Consolidated Fund's share of the service of the National Debt was only £1,133m instead of the £1,770m predicted.

Although the Government has

BUDGET DEFICIT (£ million)				
	National loans from landings	Deficit from other deferred funds	Central Government borrowing from overseas and other transac- tions	Central Government borrowing from overseas and other transac- tions
Financial year ending				
1976-77	1,438	-2,444	-103	-902
1977-78	1,438	-1,787	111	21
1978-79	1,438	-1,438	111	21
1979-80	1,438	611	-83	1,981
1980-81	1,438	1,738	-878	2,297
1981-82	1,438	2,351	-975	2,813
1982-83	1,438	2,630	-976	2,709
1983-84				
T/95				
Q3	634	2,062	-368	2,298
Q4	430	2,135	-291	2,445
1978				
Q1	820	881	-291	2,145
Q2	443	1,979	-211	2,208
Q3	496	1,541	-392	2,055
Q4	214	1,709	-8	1,503
May	204	384	118	780
June	26	390	153	1,198
July	104	114	-107	111
Aug	184	68	153	1,198
Sep	283	737	-122	873
Oct	-57	44	-99	210
Nov	-57	44	-99	210
Dec	-50	821	-40	811
1977				
Jan	88	1,402	-812	1,291
Feb	88	480	153	1,291
Mar	118	1,368		2,026

# Tory pledge to review Leyland structure and spending plan

By Colin Ivermee

The structure of British Leyland should be reexamined, with the possibility of spinning off the businesses "so that clearly defined areas can be successfully identified and the successful parts perhaps sold off to the private sector," Mr Norman Lamont, an Opposition spokesman on industry, urged yesterday.

There was a real risk, Mr Lamont said, that the further integration of the different businesses would merely lead to the bleeding of the successful parts by the unsuccessful, and that disastrous results would follow.

Mr Lamont, Conservative MP for Kingston upon Thames, told a constituency meeting: "The next Conservative Government will review the situation at British Leyland and will not pump money into a business with no prospect of making a profit."

There was no economic law that Britain must be a producer of volume motor cars, he went on. With cost producers like Japan and Korea many would consider it surprising if Britain managed to maintain its volume car business on anything like the present scale.

Unemployment, the balance of payments and the motor components industry, made it awkward for any government knowingly to let Britain's volume car industry decline. "But the poor productivity and profit record at Leyland could make that difficult decision inevitable," he said.

It was simply not possible for governments to invest the £1,500m envisaged in the Ryder Report with absolutely no regard to the likely return on its money.

That was a large part of the nation's resources and it was unthinkable that it should be wastefully invested in a business unable to generate satisfactory profits.

The success of the new Mini project was doubtful, based on such small production lines and introduced so much later than all its competitors.

The model range should be reconsidered because there were good grounds for believing that Leyland was trying to cover too much of the market at once.

Britain was efficient in more specialist products such as components for cars, buses, lorries and quality cars. "How much better off would we be as a nation if the money allocated to Austin Morris had been devoted to making Jaguars and Rovers the rivals that they could be to Mercedes and BMW?"

# Fiat seeks to raise car sales in UK by a third

By Clifford Webb

Fiat is planning to increase by nearly a third car sales in Britain where imported cars are already taking nearly a third of the market.

So attractive is the new single tier franchise that Mr Egidio Spinelli, managing director of Fiat Motor Co (UK), has told his 360 dealers that new dealers are queuing to replace any "backsliders".

In the first three months of 1977 Fiat sold 18,217 cars, taking 5 per cent of the market. This compares with 10,735 (3 per cent) in the same period last year. If maintained, this could result in the year end forecast of 65,000 cars being surpassed.

The most decisive change made by Fiat was the move to single tier dealer operation begun in January 1976. By cutting out the middle men—distributors (a move now con-

templated by Leyland)—they have increased dealer profits and obtained more control of their selling points.

New car registration details for March released by the Society of Motor Manufacturers and Traders yesterday, emphasize the growing number of continental made cars being imported by Ford, Vauxhall, and Chrysler. They account for 10.6 per cent of the total market, nearly one in four of all imports.

Ford is now second to Datsun as an importer with 7,409 (5.98 per cent) to the Japanese company's 8,001 (6.46 per cent). Largely as a result of increasing shipments from American continental subsidiaries, EEC imports have risen to 31.87 per cent against 27.27 per cent in March last year.

Leyland's dismal performance (27,998, 22.63 per cent) was undoubtedly brought about by the month-long strike.

## LETTERS TO THE EDITOR

# Engineers into the driving seat?

From Mr G. L. E. Metz  
Sir, Not so long ago Britain built the finest ships, aeroplanes, locomotives, machine tools, motor cars, motor cycles and electronic equipment in the world. Today many of these basic industries, for all practical purposes, no longer exist.

The electrical engineering industry has not escaped the consequences of these changes. Many firms with proud names, such as Metropolitan Vickers, British Thomson Houston, English Electric, Siemens, GEC (Winton) have lost their identity to become mere industrial divisions of one large firm—and this at a time when many feel bigger is not better.

On the export side, especially so far as the EEC is concerned, they have not turned out as expected. Instead of the balance of trade moving in our favour, it has moved against us. The performance of the engineering industry has not matched its strength, size and ability.

Either engineers have not tried to push their way into export, or they have not applied their efforts in a way that has commanded success. There can be few alibis. It is just not true to say there has been insufficient investment

when one firm alone has £340m for which it can find no use in its business in the United Kingdom; or that there is insufficient manufacturing equipment and capacity, when many firms have shut down their workshops; or that there are insufficient design and development engineers when many professional engineers walk the streets as unemployed with no hope of practising their profession again.

This surely emphasizes that the cycle of successfully converting raw material into useful goods and services involves something more than just capital and labour. The idea that a mechanic and a chartered accountant can together design and build a power station or a telecommunications complex is absurd. They will get nowhere without the professional engineer who, in this country, is completely ignored in all considerations of policy. Even the Government "think tank" is understood to be considering the future of the electrical engineering industry without a single practising engineer among its members.

In other parts of the world, engineering firms are directed by engineers who, by their training, think in terms of physical things and measure their success in terms of the goods and services they contribute to society. In the United Kingdom, the industry is controlled largely by accountants, bankers trained to think in terms of money. To them, success is the difference between assets and debts at the end of the year. If the value has gone up, all is well. If it has gone down, the works are closed, the assets are sold, the proceeds are reinvested in activities offering higher profits and the professional and skilled engineers are thrown into the street.

At the end of that road there are no real assets. No industry, no teams of professional and skilled engineers, no one wanting to enter the industry—but a great deal of money. This is precisely the situation towards which engineering is heading. Is it not time that engineers addressed themselves to this problem and studied it as their colleagues in other countries do? Have they stepped into the driving seat before it is too late?

G. L. E. METZ,  
Chaldon,  
Surrey.  
April 7.

# Insurance bodies spurn Bullock

By John Brennan

Associations representing the major life and composite insurance companies have come out against the Bullock Committee's recommendations for worker directors.

In a submission to Mr Dell, Secretary of State for Trade, the British Insurance Association and the Life Offices Association dismiss proposals to introduce employee directors in the form suggested as "seriously detrimental to the efficiency of British industry".

Although the associations believe that the report "can usefully serve as a starting point for constructive discussion about the ways in which employee participation can be further developed..." they feel that trade union-appointed directors would prove counter-productive.

The associations argue that insurance companies "are in effect trustees" for policyholders and so there should be "no erosion of the control and responsibility exercised by directors".

They said that "any system of employee participation which might impair the efficiency of industrial management and the ability of companies to earn profits would cause the utmost concern to the insurance industry in its position as an investor of policyholders' savings".

The associations feel that implementation of the Bullock proposals would mean "an inevitable loss of important overseas earnings."

# Mr Hattersley's two-day Paris talks will include study of blanket freeze on prices

By Derek Harris

Mr Hattersley, Secretary of State for Prices and Consumer Protection, today starts two days of talks with French government leaders on prices and competition policies.

No major decisions are expected from the talks, which are being described as an exchange of views.

But Mr Hattersley is expected to get a detailed briefing on experiences of a blanket price freeze in France. This is what has been called for in Britain by some trade unionists led by Mr Jack Jones, general secretary of the Transport and General Workers Union.

Mr Hattersley has so far opposed such a measure in Britain, although greater powers to freeze individual prices for as long as 12 months are proposed in the Government's new price restraint Bill.

Halfway through the three-month price freeze in France, which ended in January, the bankruptcy rate went up more than 20 per cent, even though some exceptions were made under the controls.

Since January there has been tight restraint on prices, with a 7 per cent annual phased maximum imposed. This has been combined with wage controls

and an attack on public sector industry deficits.

The French experience of this phase of economic restraint, which could have lessons for Britain's management of its phase three policies, will be explained by M Robert Bouhig, economic and finance minister, and M Claude Vilain, director general for competition and prices at the Ministry of Finance.

Mr Hattersley will also meet Mme Christiane Scrivener, who is the minister responsible for consumer affairs, as well as industrial and trade union leaders.

## In brief

# Parolle wins £6.8m order for Qatar

A £6.8m order for Parolle, the project engineering subsidiary of the Reggione Parsons group, brings to almost £10m the value of work which the company is handling in connection with a power and water project in the state of Qatar in the Gulf.

The contract, for electrical equipment for the Ras Abu Fouad power and water station, has been received from Kraftwerk Union of Germany, which is supplying the gas turbines and acting as main contractor to the Qatar Ministry of Electricity and Water. Ewbank and Partners of Brighton are acting as consultants for the complete project.

# Lunatic taxes that could breed rackets

From Mr A. G. Elliot

Sir, The proposed tax saving for people spending 30 days overseas is a further example of an unfair tax thought out by, doubtless, well-meaning politicians, civil servants who lack understanding.

It will cause rackets—some salesmen will find ways of being abroad extra weeks or months to secure the immense saving in tax. Remember what happens when the Socialists made it illegal to change business lunches as expenses? Today some companies have set up directors' dining rooms, plus chefs, and the cost to the country must be 10 or 20 times more. I shall never forget the fight I put up to stop Robert Carr's attempt to arrange training levies, which are still going on.

One of my friends has spent the bulk of his life and capital inventing a food machine which is miles ahead of anything in the world and may bring in millions of pounds in export.

I arranged for a printing machine to be made in Britain, which prints directly onto

thick materials, and is the first of its kind in the world. Each machine costs thousands and I am told that many export orders have been received.

Last week a book I wrote called *Business Letters* was bought by the Japanese to be translated into their language, and an advance payment running into hundreds of pounds made against royalties.

As one who has travelled much of the world, I can assure you that many people at home work infinitely harder than some export salesmen to invent or manufacture parts for goods sold abroad.

So once again we have a most unfair tax which could not have arisen if the people who arrange the Budget knew what they were doing—never mind what the CBI say, like the trade unions they are only out for themselves and I am quite sure that not all the members of the CBI are happy with these lunatic taxes.

ANDREW G. ELLIOT,  
Elliot Right Way Books,  
Kingswood Buildings,  
Lower Kingswood,  
Tadworth, Surrey.

# Confusing two aspects of the ACAS role

From Mr J. E. Mortimer

Sir, In his letter about ACAS in your issue of April 4 Mr Leigh-Levis is confused: two issues: our impartiality in industrial disputes and our support for the extension of collective bargaining.

On the first issue, it is of help to employers and unions that independent conciliation is available in industrial disputes. Conciliation does not provide a solution to all problems but it frequently helps. ACAS receives nearly 300 requests for conciliation assistance each month. The requests have increased substantially since ACAS came into existence.

On the second issue, ACAS has a statutory obligation to encourage the extension of collective bargaining. This does not mean that we seek to impose it on people who do not want it. But it does mean that we seek to promote it when it can be shown by inquiry that the wishes of significant numbers or groups of workers are in favour of collective bargaining.

In our inquiries in each particular case we consult all who have an interest in the outcome and we ascertain the opinions of workers. We also take account of established negotiating arrangements with independent trade unions and weigh the evidence about groups with common interests, whether by occupation or by workplace.

Mr Leigh-Levis makes assertions as to how ACAS will interpret the information it receives in an inquiry in which he is interested. His assertions are conjecture. It is the Council of ACAS which makes recommendations on recognition references and the Council includes employers, trade unionists and independent members. The Council has neither yet received nor considered the results of the inquiry in the company in which Mr Leigh-Levis is interested.

Yours faithfully,  
J. E. MORTIMER,  
Chairman,  
Advisory, Conciliation and Arbitration Service,  
Cleland House,  
Page Street,  
London, SW1P 4ND.

# Conference call for rating changes to help small trader

By Our Commercial Editor

Strong calls for changes in rating systems to help hard-pressed small High Street traders will be made at the annual conference of the National Chamber of Trade opening at Brighton on May 8.

There is growing alarm at the number of small traders being forced out of business as costs rise, while business growth lags.

Bankruptcies, which largely involve small businesses, rose 42 per cent in the first three months of this year compared with the same period last year. And the number of businesses wound up in the first quarter was 596 compared with 566 last year.

Rating increases are a big

factor in driving small traders out of business, according to the National Chamber of Trade. Their national survey, covering two years to the autumn of 1973, showed wide variations in increases, the greatest being in excess of 600 per cent over the period.

In the past two years rate increases on average have been running at about 20 per cent a year, estimates Mr Les Sney, director general of the NCT.

The annual conference will be asked to back a number of moves aimed at reducing the rates burden. A committee of inquiry is to investigate the system under which retail shop premises are valued on lease expiry and rent reviews.

# 20 pc increase in spending on advertising

By Ronald Emiler

Advertising expenditure rose by more than 20 per cent last year to £1,200m, according to Mr John Treussart, outgoing president of the Institute of Practitioners in Advertising.

At yesterday's annual general meeting in London he said that the outturn was better than expected.

Mr Treussart, group chairman of J. Walter Thompson, said that the fall in agency employment during the past 10 years had been halted and had now stabilised at about 13,000. However, he foresaw no return to the level of 20,000 employees which the industry had in the mid-1960s.

Mr Rodney Millard, chairman of Seward, Baker Advertising, the newly elected president, said that last year expenditure by advertisers was up 9 per cent in real terms.

Estimates for the first quarter of this year showed an increase in expenditure of about 35 per cent against the 20 per cent provisionally estimated. "It is now fairly safe to say," he went on, "that business is doing much better than we thought it would."

However, he doubted that the real increase in expenditure this year would be as high as in 1976.

Business Diary, page 19

# BP and Wimpey join in offshore rig venture

Formation of a new joint offshore maintenance and servicing company was announced yesterday by British Petroleum and George Wimpey and Co. The new concern, Offshore Maintenance and Inspection Services Company, will offer a world-wide service for repair, maintenance and inspection of offshore oil and gas platforms, and operate from offices in London and Aberdeen.

## Australia seeks 'freeze'

Mr Malcolm Fraser, the Australian Prime Minister, said yesterday that unions and employers would be asked voluntarily to freeze wages and prices for the month to halt the country's deteriorating economic condition. The constitution does not allow an enforced freeze.

## Accounting experiment

The fourth edition of the Government's price index numbers for current cost accounting is published today. It enables companies to experiment with the current cost accounting proposals (ED 18) published by the Accounting Standards Committee on December 1.

## Pottery exports up £5m

Exports in the pottery and ceramics industry for the first two months of this year were more than £5m up on the corresponding period last year. Volume of exports increased from 23,000 metric tonnes to nearly 28,000, according to figures released by the industry in Stoke-on-Trent.

# 10 pc rise in aluminium demand forecast

Aluminium shipments this year should increase by about 10 per cent if the United States and world economies grow as expected, Mr Cornell Maier, president and chief executive of Kaiser Aluminum and Chemical Corporation, has forecast.

"This strength in demand will help to bring the better price realizations which are necessary before adequate profit margins can be achieved," he added.

Mr Maier was commenting on

figures for the first quarter of 1977 showing Kaiser's total aluminium shipments at 221,000 tonnes, 12 per cent up on the first quarter of 1976 and 20 per cent up on the fourth quarter. Some of the rise may have been due to buying in anticipation of expected higher prices and forthcoming labour negotiations, he said.

Primary aluminium stocks of non-Communist countries continued to hold steady at 2.4 million tonnes at the end of

February, the same level as the month before and at the end of last July.

Figures from the International Primary Aluminium Institute in London show that stocks of all types of aluminium were also steady at 4.2 million tonnes, the same levels as at the end of January and last July. There was a peak of just under five million tonnes in August, 1975.

# JOHN I. JACOBS & COMPANY LIMITED

The Annual General Meeting of John I. Jacobs & Company Limited will be held on 6th May in London. The following is an extract from the circulated statement of the Chairman, Mr J. H. Jacobs:

## Property Acquisition

In a quiet year for us compared to the turbulence of 1975, the highlight was certainly the purchase in October of our newly constructed freehold office building. Such a move has been a special objective of mine for many years and when the opportunity of buying 19, Great Winchester Street came along, having taken professional advice both with regard to the value and the structural aspects of the property, we finalised a deal and expect to move into our new offices within a few weeks, in mid-May. In so doing we have achieved a number of things. We have opted out of likely rent increases in this part of the City, we have put money, which constantly depreciates, into a tangible asset which is more than likely to appreciate and, above all, we shall have our own front door and self-contained offices. I am sure this will be a tremendous morale booster inspiring us all to even greater efforts in our daily tasks than heretofore. This in turn should result in more business and extra profits.

## Changed Pattern of Trading

It is perhaps sad that after so very many years as small, but we believe successful shipowners, we have felt compelled to bow to the realisation that to run tramp ships carrying either wet or dry cargoes, under at no rate the British flag, can now only be profitable in good freight markets. Modern running costs, of which wages and repairs are by far the highest factors, have in my opinion priced us out of these markets in anything but boom type conditions. With the present heavy surplus of ships in both tramp freight markets, it looks to be some long time yet before the type of vessel we have always operated on an opportunistic basis, can again make sensible profits. We have therefore thought it wise to come out of ship management for the time being and I am extremely pleased to be able to report that since the year end our remaining managed vessel *Hollywood*, which had been laid up since the end of her time charter in November, has been sold for a satisfactory figure. We must continue to diligently seek fresh outlets for the resources we now have at our command. After a reasonable period of time, however, if no new ventures with good chances of profits present themselves, then I think it would be appropriate for an almost entirely broken company, without the requirement for large sums of capital, to earnestly consider in what way the cash resources that it is holding can best be used to benefit its stockholders. Maybe a reduction in capital would serve the purpose best, we shall have to see when the time comes, which I suggest will be at the end of this year or during the first half of next, by which time we may well have been able to take the maximum benefit from some of the short dated government securities which we are presently holding.

## Company Well Placed for any Market Upturn

Our broking business is continuing as usual. Our hardworking and expert staff never let up and considering how poor markets have remained, I am not dissatisfied with their results. This seems to be the moment to once again register on your behalf my thanks to all our people in whatever capacity they serve our company for

yet another wholehearted year of application and good work. A real recovery in either the tanker or the dry cargo market still looks to be some long way off but when the tide does eventually turn, we are as well placed as any of our competitors to render the extra services which will be required and so I can, with confidence, say our future seems well assured.

## General

Perhaps I may have been allowed a word or two on more general affairs. I have mentioned earlier how we have now avoided the probability of increasing rents in the City. We cannot, however, opt out of the imposition of ever-increasing rates. This is so in any case but if the G.L.C. is ever allowed to take over the City Corporation which has served the square mile so well for so very many years it would be a bad day for us and indeed for any organisation trying to carry on a profitable business within the City. Costs of operating here through the rate burden would undoubtedly spiral, inefficiency would proliferate and many firms would either have to move out of the City or worse still close down. Maybe that is what the extremists who wish to change the present system really have in mind. May I here and now register my strongest opposition to any suggestion of the City Corporation being taken over by the G.L.C. or indeed anyone else.

As I have said before I am convinced that, among other evils, our crazy taxation system is at the root of many of our troubles. In a sane society taxation would be kept to an absolute minimum for running the necessary affairs of the State and would be heavily biased upon the spending not the earning end of individuals' incomes. Thus those who save and invest would be encouraged and those who spend would be taxed. As a small example of what I mean, I suggest that for instance, as in some other countries, motorways might be toll roads, ensuring that those who use them would pay for them. In such a system people could elect whether or not to spend and incur taxes or to save and avoid them. This would be working with, rather than as at present against, human nature and no longer would so many hours of time and so much brainpower be devoted to thinking of ways of avoiding paying our present income and other taxes and of ways to promote all manner of perquisites to the same end. There would, of course, have to be provision to help the elderly and really needy to pay the heavier prices that extra taxation on sales would bring about but such proper assistance should surely not be beyond the wit of man to provide. People are always being called upon to save and invest, surely there is an absurdity in this when, as I write, up to 98% tax is levied on any dividends that may be paid and if, through good fortune, on selling a gain is made, then 30% gains tax is called for on top of the insidious toll presently already being exacted from any investment by double figure inflation. Aside from these there is, of course, corporation tax to be provided before the question of dividends arises at all. Not very good incentives to risk one's savings I should say.

To finish, as usual, with a word about our prospects in the current year, let me just say that I shall be most disappointed if we are unable to again recommend a somewhat higher dividend when the results for 1977 are known.

# Akzo nv registered office at Arnhem

The annual general meeting of stockholders will be held on Thursday, 5th May, 1977 at 10.30 a.m. at the RAI Congress Center, Europaplein, Amsterdam. Facilities for simultaneous translation into English are available.

## Agenda

- 1 Opening
- 2 Report of the board of management for the financial year 1976
- 3 Approval of the balance sheet and statement of income, with notes; consideration of proposal to pass the dividend
- 4 Determination of the number of members of the supervisory council; appointment of members of the supervisory council
- 5 Determination of the number of members of the board of management; appointment of a member of the board of management
- 6 Annual decision concerning issues as required by the London Stock Exchange
- 7 Any other business

Annually recurring agenda item in re compliance with the requirements of the London Stock Exchange concerning the listing of Akzo shares on that stock exchange.

The agenda, the signed annual financial statements, as well as a list of personal data on the nominees for the supervisory council are available for inspection by stockholders at the Company's office, 82, Jusselaan, Arnhem. There and through the undersigned banks stockholders may obtain free copies of the aforesaid documents.

Stockholders who wish to attend the meeting should deposit their shares in order to establish their identity not later than Friday, 28th April, 1977 for a period of seven days at the Company's office at Arnhem, 82, Jusselaan and with the following banks:

In the Netherlands with Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Nederlandse Credietbank N.V. and Pierson, Heijdring & Pierson N.V. in Amsterdam, Rotterdam, The Hague and Arnhem, in so far as said banks have offices in these towns;

In the Federal Republic of Germany and in West Berlin with Deutsche Bank AG, Berliner Disconto Bank AG, Bank für Handel und Industrie AG, Berliner Handels- und Bank AG, Dresdner Bank AG, Sal. Oppenheim Jr. & Cie. and Saarländische Kreditbank AG in Frankfurt a. Main, West Berlin, Düsseldorf, Cologne, Hamburg, Saarbrücken and Wuppertal;

In Belgium with Generale Bankmaatschappij N.V., Bank van Parijs en de Nederlanden België N.V. and Kredietbank N.V. in Brussels and Antwerp;

In Luxembourg with Banque Générale du Luxembourg S.A. in Luxembourg;

In the United Kingdom with Barclays Bank Limited, 54, Lombard Street, London EC3P 3AH;

In France with Lazard Frères & Cie., Banque de l'Indochine et de Suez, Banque Nationale de Paris and Crédit Lyonnais in Paris; in Austria with Creditanstalt-Bankverein in Vienna;

In Switzerland with Swiss Credit Bank, Swiss Bank Corporation, Union Bank of Switzerland in Zürich and Basel and their branches, and also with Pictet & Cie. in Geneva;

In the United States of America with The Chase Manhattan Bank N.A. in New York, N.Y.

Copies of the annual report will also be available for collection by stockholders during the period up to 5th May, 1977 at N.M. Rothschild and Sons Ltd., New Court, St. Swithun's Lane, London EC4P 4DU.

The Supervisory Council

Arnhem, 14th April, 1977



## BY THE FINANCIAL EDITOR

## Another attack on the 'insider'

Nothing does the stock market a more disservice than the sight of share prices roaring away hour after hour, even days ahead of an announcement—typically a bid. It breeds cynicism and contempt in the hearts of investors and politicians; it embodies everything about the stock market that has been driving small shareholders away from direct investment in droves. So one welcomes the fact that the Stock Exchange and the Takeover Panel are turning their combined weight towards eliminating the problem at source.

Yesterday the Stock Exchange announced it was setting up a new investigation Section, responsible to the Quoted Companies Panel, with the task of setting up special committees of inquiry to look into unusual price movements; today the Panel will announce a code of conduct to be followed by companies which have some news of a price sensitive nature in the pipeline.

The Panel's aim is to prevent untoward price movements according to the first place, and where it fails, the Exchange hope is to find an explanation more quickly and efficiently than in the past. In short, this is a further effort to eliminate the inside speculation or to avoid suggestions of inside trading.

But what real hope do they have of plugging what has long been an ugly gap in the supervisory system? Recent experience gives little ground for optimism. Last year the Exchange noted around 1,750 unusual price movements, inquired closely into 24 cases, and came up with only one outspoken comment—on the Suisis affair.

The problem as ever, is that the Exchange's hands are tied by the laws of libel and the difficulty of finding conclusive evidence. It is hard to see how this difficulty can be decisively tackled without the Exchange obtaining the right to make privileged comment, and that might have a mean, if not a coercive, power something the Exchange—and apparently the Bank of England and the Department of Trade—is anxious to avoid.

Perhaps the answer lies in pushing for a test case on the basis of the advice given at the time of the Suisis investigation that the Exchange might, after all, have some degree of qualified privilege as the main supervisory agency for the securities market. The Panel has already been showing a laudable willingness to speak up more forcefully when it feels justified.

## Blackwood Hodge Absorbing those Canadian losses

Underlying growth at Blackwood Hodge last year was strong enough to absorb a £4m setback to losses of £860,000 in Canada and still leave profits 9 per cent higher at £12.7m. That performance is the more remarkable in that it was achieved despite a £2.1m increase in interest charges and £2.5m rise in depreciation.

Canada did not turn sour until the second half when profits elsewhere were coming through strongly, particularly in the United Kingdom, thanks to take-off by British companies for Middle East expansion and the success of the new JCB franchise, and on the back of the booming Nigerian economy in Africa.

Moreover, while a change in the mix of business in favour of new equipment sales and away from sales of replacement parts gave the lowest pre-tax margin in the past three years, it will work to Blackwood's benefit this year as the higher margin part sales build up.

A one-for-two scrip is intended to increase the marketability of the shares which

gained 7p to 94p yesterday, but the stock market has always been slightly nervous of Blackwood Hodge's gearing and with a yield on 6.4 per cent it would be unwise to expect too much from the shares at present.

**Final: 1976 (1975)**  
Capitalization £25.1m  
Sales £250m (£186m)  
Pre-tax profits £12.7m (£11.7m)  
Earnings per share 14.85p (16.02p)

Dividend gross 6p (4.6p)

## Glynwed Yield prop

Glynwed's confidence in 1977 is reflected in a 10 per cent increase in the 1976 dividend when only a maintained payment was promised with the £10m rights issue. For the rest there are few surprises in a profits increase to £14.6m which, as expected, averted a decline in earnings per share.

But price rises from the British Steel Corporation which helped Glynwed's stockholding division increase trading profits from £3.6m to £9.3m have disappeared as the European industry has drifted back into recession and while there is scope for improvement in profits of the other divisions, earnings at 104p is muted by the group's exposure to the building trade and the fact that the dividend is only covered 1.5 times.

In the United Kingdom, gas appliances should recover from their £500,000 of losses which resulted from overstocking the previous year by gas boards and further gains should be made as demand from the motor industry continues to grow and from rationalization of the foundries.

But the key questions—whether stockholding will pick up, and whether the group's attempts to move further into the building trade and the fact that the dividend is only covered 1.5 times.

Still with luck Glynwed could do much better than expected, and the yield is a consolation if best hopes are not fulfilled.

**Final: 1976 (1975)**  
Capitalization £64.7m  
Sales £343m (£198m)  
Pre-tax profits £14.6m (£10.4m)  
Earnings per share 11.61p (9.43p)

Dividend gross 11.42p (10.38p)

## Wilmot Breeden Volume comes through

Better volume loading along with rationalized production facilities have combined to give Wilmot Breeden an excellent year with pre-tax profits 120 per cent up at £6.21m on only a 28 per cent sales gain to £85m.

With the French motor industry growing around twice as fast as in the United Kingdom, higher volume at the CNE car component plant has been the main thrust behind the continuing improvement in the second half resulting in more than doubled pre-interest profits in Europe of £4.65m with exchange gains accounting for perhaps £1m of the upturn.

Orchard's expansion has been done wonders at home as has increased concentration on higher margin products like telescopic bumpers and electronic locking systems with pre-interest profits in the United Kingdom rising from £940,000 to £2.54m. Still with 50 per cent plus of output going to British Leyland, stoppages there cost the group around £200,000 last year and already this year profits are some £1m lower than they would otherwise have been.

Hydraulics and engineering,

too, have pulled their weight and the only real blackspot was the electronics business which made a £555,000 loss. Here the chief culprit was the Ferragroup side where bad management was mainly responsible for a £350,000 cost write-off.

Although the French car industry is still looking good and Australia should recover in 1977, Wilmot Breeden has had its great leap forward so current year growth may be no more than pedestrian.

For all that, a 6 per cent yield and a p/e ratio of 5.1 at 71p does less than justice for what still looks something of a special situation—even without the suggestions that a product strength comparable to that of Barchi may attract a bid since clients of Birmingham brokers Smith Keen Cutler are thought to account for some 20 per cent of the equity, which could be used as a platform.

**Final: 1976 (1975)**  
Capitalization £14.7m  
Sales £83.3m (£65.2m)  
Pre-tax profits £6.21m (£2.82m)  
Earnings per share 13.7p (5.8p)  
Dividend gross 4.24p (3.77p)

## Babcock &amp; Wilcox

## Thanks to ACCO

With more than a touch of understatement, Babcock & Wilcox says that its 1976 results have been "very good". The inclusion of a full year contribution from American Chain & Cable. Indeed, without ACCO, their £500,000 of losses which resulted from overstocking the previous year by gas boards and further gains should be made as demand from the motor industry continues to grow and from rationalization of the foundries.

But the key questions—whether stockholding will pick up, and whether the group's attempts to move further into the building trade and the fact that the dividend is only covered 1.5 times.

Still with luck Glynwed could do much better than expected, and the yield is a consolation if best hopes are not fulfilled.

**Final: 1976 (1975)**  
Capitalization £64.7m  
Sales £343m (£198m)  
Pre-tax profits £14.6m (£10.4m)  
Earnings per share 11.61p (9.43p)

Dividend gross 11.42p (10.38p)

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## Patricia Tisdall

## Pop goes the diet drinks market

Determined not to be caught out again as they were last summer by being unable to satisfy weight-conscious thirsty customers, the drink manufacturers are being extra active this spring in making and promoting low calorie soft drinks for 1977. Pioneered in the 1960s by Schweppes (which distributes Pepsi Cola as well as its own mixed drinks) low calorie drinks have become the fastest growing area of the £395m soft drinks market.

Gradual participation by other established drinks companies like Beecham Foods which distributes Coca Cola as well as Hunts Mixers and Brivick, the Allied Breweries soft drinks subsidiary, helped generate steady increases in low calorie soft drink sales.

However, the real lift came on the crest of the heat wave last year when the value of the low calorie mixers and canned drink sales shot up by about 50 per cent (against an overall sales increase of about 17 per cent) to reach a value of about £29m. Projections for 1977 are for a sales figure of £36m.

The trouble was that there were not enough bottles and cans of Diet Pepsi, Tab (Coca Cola) or even Schweppes Slimline or Brivick Slimster mixers to go round. The established drinks makers had to sit back and watch a new entrant better known for food

## Bittersweet battle between the giants

than drink, scoop the pool with One-Cal, a drinks range it had just launched under the Endergen slimming product label.

This year Beechams, which with products like Lucozade and Ribena is already well known to supermarkets, is tackling RHM on its own ground with a range of low calorie fizzy canned drinks under the Hunts label. Called Bittersweet, the drink with 15 calories a can only just meets the legal description of "low calorie" but is said to have a more natural taste than its rivals.

Beechams with about 18 months developing and testing Bittersweet is backing the launch in June with £300,000 worth of television advertising, the largest amount the company has ever spent on the initial launching of any product.

While RHM and Beechams are competing on new ground with their respective products the earlier entrants, Coca Cola and Pepsi Cola do not plan to stay idle. Substantial advertising budgets have been allocated for Diet Pepsi launched in 1975 and the Coca Cola version relaunched in the same year.

Coca Cola is also putting £370,000 worth of new advertising behind Fresca, a fruit flavoured low calorie canned drink launched with some success in Britain last year. Fresca with RHM's One-Cal is featured among the list of top 20 new products for 1976 compiled by the trade magazine Super Marketing.

Off-licence and public house customers as well as supermarket shoppers will get fresh competition in low calorie versions of the ginger ale, bitter lemons, tonics and lemonades which they use to dilute their spirit drinks.

Canada Dry, the Bass Charington-owned mixer manufacturer, is making a bid to break Schweppes dominance in the

low calorie front with a range of products due to come on the market later this month. Except in ginger ale, Canada Dry, best known existing product, will have a long way to go to achieve this.

Schweppes reckons to hold over 50 per cent of all low calorie drink sales; and in mixers its Slimline brand has almost become a generic term. Increasingly its products are being drunk in the home as well as in pubs and on their own as well as mixed with alcohol. Schweppes says this year expects 60 per cent of its volume sales of Slimline to come from off-licences.

Even if more drinkers turn to non-alcoholic low calorie mixers in public houses, the proprietors are unlikely to complain for the report on prices, costs and margins of soft drinks issued by the Price Commission this month shows that profit margins on soft drinks can be higher than on beer or spirits.

The average percentage gross margin for soft drinks and mixers in public houses at between 51 per cent and 66 per cent was criticized as excessively high compared with 48 per cent to 50 per cent on spirits and 32 per cent to 38 per cent on beer.

Increasing health and weight consciousness are obviously the main factor in the rise of low calorie drink sales. In America, diet drinks (as they are called there) account for around 18 per cent of all soft drink sales. In the UK, the figure has gone up from about 5 per cent two years ago to around 10 per cent last year with another jump to 15 per cent expected in 1977.

Schweppes in particular is looking for more sales from male customers. Indicative of a general trend is research findings that only 13 per cent of men drank its Slimline products in 1974, last year the proportion had risen to 26 per cent. The equivalent figures for women users show a rise from 20 per cent to 29 per cent.

The growth projections assume that the latest saccharin scare does not reach the same levels as the anti-cyclamates move did in the 1960s. The ban on cyclamates knocked developments in the low calorie drinks market back several years; a saccharin ban could annihilate it since all the products use it as an essential sweetener.

In addition to growing sales from weightwatchers, there is believed to be a need, highlighted during last year's admittedly exceptional conditions, for a more adult, less sweet drink.

Beechams which are aiming Bittersweet at this sector as well as to weight watchers will find competition from Coca Cola. A new product intended for adult consumption and described as a sparkling pineapple and grapefruit drink "was put on the market under the Hunts brand name last month by Coca Cola. The launch follows extensive test marketing in Scotland which started as long ago as 1973 and the product is to be a brand leader in Holland.

The American-based Coca Cola organization, anxious to retain its traditional hold on soft drink sales, is investing a record £3m worth of advertising in existing brands this year, a rise of 40 per cent on 1976.

First, the Spanish civil war had left the Basque country, which was on the losing side of the war, in a state of "in ruins"; and this, combined with the "very limited geographic area" (about the size of Devon) in which the Mondragon experiment was concentrated, gave the group a cohesion as human beings with the same outlook on life, the same way of thinking and the same objectives.

Secondly, "the Mondragon experiment has taken place in a highly developed region with a long industrial tradition. It is easy to believe that we would have had far greater difficulties had this not been the case."

Britain certainly has a long industrial tradition. And certainly it does not have the kind of social cohesion and unity of economic purpose which military catastrophe seems to have conferred upon Germany and Japan, as well as on the

Strike of maintenance engineers and not many would be able to name Sir Frank McFadden. But, McFadden, formerly a chairman of Shell is shaping up a far more obdurate character than his predecessor Sir David Nicolson, now chairman of Rothmans.

Since coming into the public service, McFadden is emerging as a man who never hesitates to speak his mind, whether in public or private.

According to an interview in the latest issue of *The Log*, the journal of the British Air Line Pilots Association, he looked at British Airways when he was asked to take on the job of chairman and wondered to himself: "If this is an organization with over 50,000 employees and they can't produce their own chairman, there's something sadly wrong." One of his objectives is to ensure that he is the last chairman appointed from outside.

On trade unions, he is reported by *The Log* as saying, "Seventeen trade unions is a hell of a lot of unions to deal with. I'm not in the least anti-trade unions. They are an essential part of any organization. But we must get them on a more rational footing."

## Till we have built Mondragon...

Last week I related the findings of a report on the Mondragon cooperatives in the Basque provinces of Spain. This week I shall pursue the questions whether and to what extent the Mondragon model could and should be imported into Britain.

For the purposes of argument (and brevity) we may take for granted the main theme of these columns over the past three and a half years, namely that we do not have the option, even if we wanted it, of muddling through on the basis of our present political economy.

For, we have exhausted the natural span of about 25 years during which it is possible, through exploiting the inflation-blindness of trade unions, to resist the pressure of bargaining with reasonably high employment by always making inflation run faster than those who set the price of labour expect.

We have to look for a different political economy if we are to avoid nature's remedy of breakdown followed by authoritarian expedients. The only visible alternative to the Tweedledum and Tweedledee of the Mondragon model is the competitive market economy consisting predominantly of workers' cooperatives.

(I pass over romantic socialists, like my good friends Mr. Paul Foot and Mr. Tariq Ali, who hope to dispense with both governments and markets as regulators of economic activity by implanting spontaneous mutual benevolence and personal restraint in place of self-interest as the principal motive force of economic man, at least until they provide a rigorous general account of how, without either state commands or market signals, such paragon will be able to tell what private acts will maximize the social good in a complex modern economy.)

I counsel them against seeking a solution by further elaboration of the nightmarish piling of Follies of national and regional councils upon Oases of local and plant committees, as sketched in Paul Foot's splendid polemic *Why You Should Be A Socialist*, if they wish to avoid the ultimate absurdity of building Utopia in the pestilential image of the National Union of Journalists.

The apparent success of the Mondragon cooperatives over their 21 years of existence so far (the evidence for which still needs to be vigorously audited) certainly owes something to the specially favourable circumstances of the Basque provinces in the Franco era. According to the testimony of Antonio Peres de Calleja Basterrechea, the director of the all-important

management division of the cooperative bank to the Mondragon community (the Caja Laboral Popular), two environmental influences have been important.

First, the Spanish civil war had left the Basque country, which was on the losing side of the war, in a state of "in ruins"; and this, combined with the "very limited geographic area" (about the size of Devon) in which the Mondragon experiment was concentrated, gave the group a cohesion as human beings with the same outlook on life, the same way of thinking and the same objectives.

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## PRELIMINARY STATEMENT FOR 1976

# Dreamland

Europe's largest Manufacturer of Electric Blankets

£000's	Year ended 31st December	1976	1975
Turnover		5,281	5,443
Trading Profit		336	698
Less: Interest charges and			
Royalties received net	(82)	(12)	(171)
Reorganisation Costs	—	—	515
Profit before Tax	254	515	—
Profit after Tax	200	337	—

- Final Dividend** — Recommended final dividend of 1.525p per share, making a total of 2.275p per share for the year, the maximum allowable.
- Taxation** — Profit after tax again takes account of the lower taxation charge resulting from the pre-acquisition losses brought forward in the accounts of a subsidiary leaving £567,000 unabsorbed.
- Trading Pattern** — A general policy of destocking on the part of our wholesale customers prevailed throughout. The effect was to curtail severely our electric blanket sales for the year as a whole, although purchases by the public were extremely high. Stock-holdings by the trade were thus reduced to an all-time low by the year end and as a direct result we experienced a dramatic upsurge in sales in the first quarter of 1977, in order to satisfy the normal end of season consumer demand.
- Alarmline** — Our Alarmline fire detection systems were consistently promoted during the year and a network of carefully selected selling agents was established throughout Europe. These systems have been fully accepted by the Central Electricity Generating Board and we have now gained contracts for their installation in the Board's proposed new power stations.
- Prospects** — This coupled with the fact that the general public purchased considerably more of our electric blankets during 1976 than ever before confirms our belief that our products will continue in healthy demand in the future and provided there is no further deterioration in the economy the Directors are confident that the present profit level will be considerably increased in 1977.

Dreamland Electrical Appliances Limited, Hythe, Southampton, SO4 6YE.

## FINANCIAL NEWS AND MARKET REPORTS

### Stock markets

# Gilts cycle on ebb as equities shine again

For the second day running equities outshone gilts as small but persistent buying sent share prices sharply ahead.

The strength of Wall Street was the only positive influence but dealers said that with jobs short of stock most rises were out of all proportion to the amount of business done.

With no selling to counterbalance this light demand, the FT Index closed 9.9 ahead at 417.8, a little below the best but the strongest daily performance for a month. There is also

three-eighths to close at around their overnight levels. At the shorter end of the range, early gains of up to half a point were clipped back and by the end most stocks stood between one-quarter and three-eighths better.

Among the "blue chips" there were double-figure gains from Glaxo 10p to 47p and Fisons 12p to 342p. Also favoured were ICI 35p, Courtalds 12p and Beecham 43p, all up 6p, while the strength of Wall Street helped Unilever to an 8p gain at 462p.

Results brought some interest to the engineering sector. Figures above market expectations helped Babcock & Wilcox to rise 2p to 86p, Adams 8p to 180p and Blackwood Hodge 7p to 53p. Bullish figures from motor component maker Wipac-Bredon did not reflect in the price which held steadily at 71p, but reassuring words on its earlier position helped Westland to regain 1p of the previous day's loss for a close of 56p.

Some say that there is a case for taking part of a profit in Charterhall, now 27p. They think that a deal with BP over financing development in the Buchan Field will be on its way within weeks but they fear that any deal will mean Charterhall getting paid by BP from the eventual profits of the field over a period of years.

a growing belief that the gilts market is close to the top of its present cycle and there were reports of institutional funds being transferred to equities.

Gilts themselves continued to be comparatively subdued in what was described as a "punting" market. Long dates recovered from early losses of

sector, A. Bell gained 2p to 205p after the General Accident stake.

Speculative demand was evident for Gallenamp "A", up 16p to 232p, United Scientific 5p to 194p and textile group Lee Cooper which gained 14p to 90p.

After completion of the Terry sale, THF firmed 4p to 136p in the hotel sector, where Rowton was a strong 88p, up 6p, and Adda International held firm at 181p after its deal.

Over in electricals, featured issues included Reyrolle Parsons, up 7p to 163p after order news and in front of figures, MK Electric, better by 7p to 135p. A fresh bid talk, Thurn & Ross 2p to 86p, and GEC 5p to 174p and ICI 4p to 189p.

With the prospect of price rises in the near future, cement shares like AP Cement 6p to 178p, Tunnel 6p to 164p and Rugby 3p to 57p all advanced strongly.

The shipping pitch had a

number of speculative issues in a thin market, notably Hunting Gibson up 14p to 178p, Common Brothers 19p to 209p and Stag Line 13p to 173p. Among the sector leaders, British & Commonwealth gained 7p to 263p and Furness Withy 8p to 294p, but Ocean Transport, down 7p to 125p, started strangely subdued after its recent good figures and rose just 2p to 146p.

With the metal price in good form, gold shares had a strong session. Anglo-American Gold ended 87p higher at £15.12, there were gains of 75p from Randfontein at £22.25 and President Brand at £25.25, while both West Driedonite £17 and Vaul Reef £11.25 were better by 50p. Also ahead was FS Geduld which ended 62p to the good at £10.75.

In the financial sector, merchant banks responded to some favourable comment, notably Guinness Peat, up 7p to 172p, Hambros 5p to 160p and Keyser Ullmann 3p to 26p. The

clearers were also ahead with 4p rises from Barclays at 252p, Midland at 282p, National Westminster at 232p and Lloyds at 212p.

Insurances were led ahead by Royal with a rise of 8p to 316p, while Guardian Royal Exchange added a penny less at 193p and there were 6p rises from

Dealers are looking for profits from European Ferries, due to report soon, of up to £9m, against £5.2m. Traffic reports from both Dover and Felixstowe are encouraging and the east coast port will be included for the first time. Vague takeover talk still surrounds the shares which rose 21p to 701p.

Phoenix at 206p and Sun Alliance at 423p.

In properties, Peachey went ahead 4p to 36p on talk that once the boardroom troubles are out of the way a bid may be in the offing. Bridgewater slumped 15p to 248p after turning down terms but Great Portland finished 6p up at 212p and Land Securities rose 4p to 166p.

Figures, new and recent, were good for rises in I. J. Dewhurst 2p to 50p and Cosalt, where second thoughts brought a jump of 6p to 62p. S. Jerome was at a firm 48p.

Equity turnover on April 12 was £33.34m (11,040 bargains). According to Exchange Telegraph, active stocks yesterday were ICI, GKN new, BP, BAT, D&G, Marks & Spencer, Shell, Boots, Trafalgar House, National Westminster, Distillers, Barclays Bank, BAT Ind, Thorn "A", GKN, GMB, Freeman, Babcock, Peachey, RTZ, Common Bros, United Scientific, Lee Cooper and Reggelle Parsons.

### Latest dividends

Company (and par value)	Ord div	Year ago	Year's date	Prev total	Prev year
Adwest Gp (25p) Int	2.5	2.2	3/6	2.11	2.38
Babcock & Wilcox (25p) Fin	1.05	1.43	1/12	2.9	2.99
Blackwood Hodge (25p) Int	2.15	1.65	17/12	8.22	7.5
Henry Boot (50p) Fin	5.72	5.0	19/5	0.91	0.91
Burnside Int (50p) Int	0.5	0.45	—	0.59	0.59
Horace Cary (5p) Fin	0.18	0.38*	1/6	2.10	1.91*
I. J. Dewhurst (10p) Fin	1.38	0.45	25/5	—	0.96
Dowling & Mills (5p) Int	0.49	1.36	—	2.27	2.06
Dreamland Elec (10p) Fin	2.52	2.52	—	4.06	3.69
Farm Feed (25p) Fin	2.71	2.69	27/5	1.96	1.78
E. Fogarty (25p) Fin	1.25	1.13	—	7.42	6.75
Anthony Gibbs (25p) Int	4.97	4.3	1/7	2.75	2.75
Glaxo (25p) Fin	2.0	2.27*	31/5	8.68	7.89
Lea & Procter (50p) Fin	2.0	2.21	4/6	2.94	2.8
Modern Engineers (25p) Fin	2.14	2.04	30/5	5.24	4.74
A. G. Stanley (5p) Int	3.2	2.75	18/5	1.91	1.91
Watts, Blake (25p) Fin	1.1	1.06	10/6	2.45	2.45
Wilmot-Bredon (25p) Fin	1.75	1.8	1/7	—	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. \* Adjusted for scrip issue. † On increased capital. ‡ Third and final payment is possible.

### Business appointments

## De La Rue has new chief executive

Mr Peter Orchard has become chief executive of the De La Rue Company in succession to Sir Arthur Norman, who remains on the board as non-executive chairman.

Mr E. C. Harrison is to be chairman and chief executive of Simon Engineering on the retirement of Mr J. R. Brook, the present chairman, on June 30.

Mr R. E. Brayton has been made deputy chairman of the Alliance Building Society.

Mr P. R. Dingle, general manager of Overseas, is now a director of Guardian Royal Exchange Assurance.

Mr J. J. Kimmins, financial controller of Standard Chartered Bank, has become a senior general manager.

C. Hore, planning controller of Fisons Fertiliser division, joins the divisional board from May 1 as planning director.

Mr Michael de Costa, Mr Brian Fitter and Mr John Crockett, have gone on to the board of Empire Carver.

Mr Rodney Millard, chairman of Standard Baker Advertising, has been elected president of the Institute of Practitioners in Advertising. He succeeds Mr John Taylor and Mr John Crockett.

The J. Walter Thompson Group.

Mr H. C. Harrison, who is to become the new chairman and chief executive of Simon Engineering in June.

Mr James Derriman, secretary of Charles Barker ABE International, is the new president of CEPAN, the federation which links the national professional bodies for public relations in 13 countries in Europe.

Mr M. B. Hofmeyr has become a director of Nedbank Consolidated Copper Mines with Mr K. H. Nkwabulo as his alternate.

Mr N. G. Whitaker, managing director of RWH Agriculture (North West), has been made managing director of Rawlings James and Phillips.

Mr A. W. Jones, managing director of Brooks Savill, succeeds Mr Whitaker and Mr A. F. Nicholls becomes the Brooks Savill managing director.

Mr Graham Morgan, managing director of The Wrigley Company, has been elected vice-president (sales) of the parent company in the United States.

Now that the offers by Oct-ave Grinthe Finance for Oadid Group Holdings have become unconditional, Mr N. J. Kieley, Mr A. J. Barrett, Mr J. R. Gillum, Mr J. M. Jackson and Sir Cyril Pitts have resigned from the board of Oadid. Mr J. J. Kieley, president of Oct-ave, Dr J. V. H. Pennington and Mr O. Schaffhausen, co-presidents of Oct-ave, have gone on to the board of Oadid. Mr Kieley has been made chairman and Dr Pennington deputy chairman and managing director of Oadid. The board of Oct-ave now comprises Mr Kieley, Dr Pennington, Mr C. R. O. van der Grinten, Mr Barrett and Mr Jackson.

Mr D. L. Javling has been elected a vice-president of Wells Fargo Bank and appointed a deputy managing director of Wells Fargo Ltd.

Mr Allan Robertson and Mr Don Fraser join the board of NCL.

Mr J. B. Henderson, Mr J. J. McDermid and Mr O. A. Stratton have been appointed additional directors of Reed and Smith Holdings.

Mr Frederick R. Rossiter has been made managing director of Dean Witter International. He succeeds Mr Calvin P. Gaddis, who is returning to the United States.

Mr David Hudson has joined the board of Birmid Overseas (Wrought & Engineering Products).

Mr Hugh Dundas, chairman of Rediffon, has been appointed acting chairman of Rediffon Telecommunications. The outgoing chairman, Mr J. R. Brinkley, who is managing director of Rediffon, is to devote more of his time to Rediffon Computers.

## THE ALLIANCE TRUST COMPANY LIMITED

The following is the Statement by the Chairman, Mr. David F. McCurrach, circulated with the Annual Report for the year ended 31st January 1977.

### RESULTS

Our earnings, at 6.66p, are up by 194%. The increase in Gross Income is no less than £1m. and only a small part of that, £148,000, comes from Gilts and Deposits. Very good rises in dividend rates from many of our U.K. equities, with a modest addition from holdings increased by £2m. during the year, have produced an extra £818,000, while higher U.S. dividend rates have been compounded by the fall in sterling to produce an extra £246,000. The dollar sterling factor accounts for the improvement over our mid-year forecast of 6.50p. Your Directors have, in the light of these good results and the sources of the increase, recommended a final dividend of 4.75p making a total of 6.35p against 5.35p. In order to reduce disparity between interim and final dividends it is the Directors' intention to raise the interim dividend for 1977/78 from 1.6p to 2.2p.

Although the accounts show nearly a quarter of our Gross Income coming from Gilts and Deposits, the extra tax payable on unfranked income means that the net proportion is much smaller and that an investment of these fixed interest funds in U.K. equities need not mean any substantial loss in net earnings.

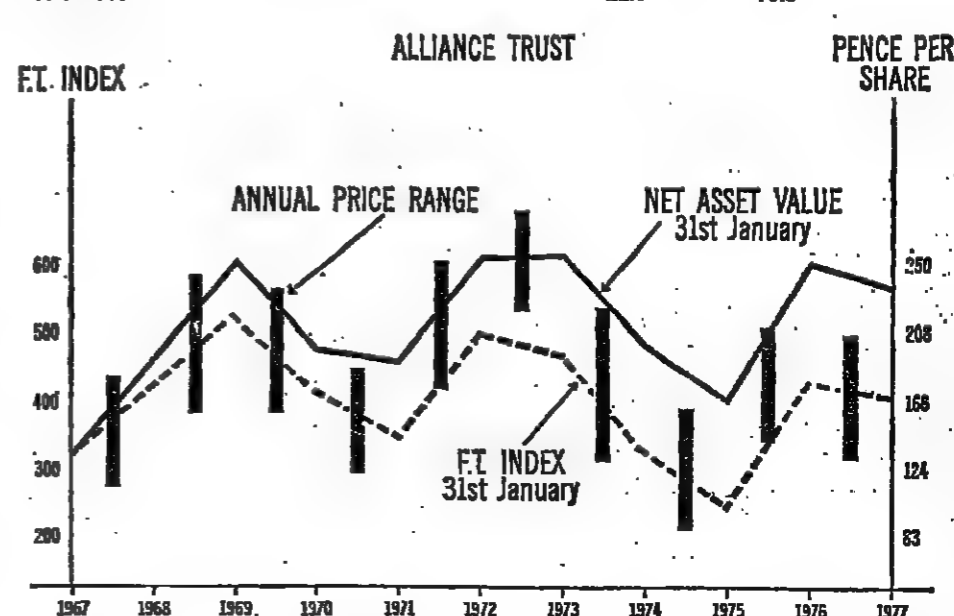
### VALUATION

Over our year our net asset value per unit fell by 6%, the F.T.A. All Share Index fell by 3.5% and the U.S. Standard & Poors 500 Share Index adjusted for currency premium fell by 7.8%. Our year coincided with a flat spot in all markets, not least the currency premium which over the year fell from 87% to 29%. The sterling value of our holdings, of course, fell by much less since the premium fell was offset by the decline in the official sterling rate: the combined effect of premium and exchange rate was a fall of 8% in sterling values. This has the very satisfactory compensation of roughly halving the premium content of our valuation from £24.2m. (174%) of the total to £11.97m. (8%).

My recent retirement from management and my term as Chairman's Statement may cause a little retrospection over a remarkable decade in which the world in which we do our job has been turned almost upside down. In the range of domestic affairs, starting with the abolition of full relief for overseas tax we have seen two completely new tax systems and a growing burden of Corporation Tax, a temporary ceiling on overseas investment, a drastic broadening of the premium currency system, a comprehensive Capital Gains Tax, the concoction of the currency premium surrender system, the introduction in banking of the system of Competition and Credit Control and, for almost the whole decade either dividend limitation or a total freeze. In the wider world there were two sterling devaluations followed by a final "float", two major dollar crises, two major world stock market slumps, the collapse of the Bretton Woods monetary system, the temporary resurrection of gold, the driving out of Keynesian demand management by the monetarists, and the greatest world inflation in modern history followed by the worst recession since the 1930's. Against that background there may be some merit in our own record as shown in the following Table and Chart. Not only do we show an unbroken record of increases in our regular rate of dividend far ahead of the Indices but a rise in our net asset value ahead of both, and even in the price of our own shares well ahead of F.T. Industrials despite a rise in the discount in our share price against asset values from 11% to 23%.

### Percentage increases 31st January 1967 to 31st January 1977

	Net Assets	Values	Dividends
Alliance	76.5	105.7	105.7
F.T.A. All-Share	73.8	79.9	—
Alliance	51.9	—	—
F.T. Industrials	22.9	18.3	—



This has been made possible only by major policy changes on a scale and with a frequency and flexibility never before contemplated or even thought proper for conventional investment trusts. We have also considered, and rejected, a host of schemes or devices — offshore funds or overseas subsidiaries, convertible issues or "split" equity capital and the like. And we have many times, even before the Bank of England permitted it, considered foreign currency borrowing and as often rejected it either on grounds of interest terms or stock market prospects, although we have an open mind on future possibilities. Our broad policy has continued to be the pursuit of both income and capital growth, neither ever wholly surrendered to the other. Inevitably this prevents dramatic short-term successes, but (1) it has protected us against the extremes of the major downward cycles (or worse had it happened) and (2) it has produced a balanced growth on both fronts well ahead of averages, outstandingly dividend growth 85.4% better than F.T. Industrials.

### PROSPECTS

The future seems as confused as the past. The short term at home must depend upon a Phase 3 settlement, but it could well be that even without it, if the monetarists are right, the tight rein imposed by the I.M.F. Loan conditions could, after an excruciating wrench, create the very climate for the structural changes which the country so sorely needs, changes in central government and industry and even in some of our political attitudes and institutions. There is indeed a danger that the effects of North Sea oil may be so benevolent as to deflect us from these changes but even that would permit a more cheerful short term view of home prospects. At the same time one does not forget either the hesitant state of world trade, so vital to our recovery, or the strains on international currencies imposed both by yawning balance of payments gaps and by huge mountains of unstable debt. The risks are great but the potential of the U.K. stock market is probably as great as anywhere. Our U.K. equity proportion at 49.4% is higher than of recent years but we still hold 40.8% overseas.

4th March 1977.

# GALLAHER 1976

## Statement by the Chairman, Mr Hume Stewart-Moore



Mr. Hume Stewart-Moore, Chairman Gallaher Ltd.

### Trading Results

Group sales for the year were up by 21.3%, trading profit before interest by 5.8%, and trading profit after interest by 11.6%. From these figures the broad pattern of our 1976 trading can be seen. While net profits were higher than last year, inflation and increases in tobacco taxation accounted for the major part of our increased turnover. Continued pressure on margins, however, led to the substantially lower percentage increase in trading profits.

There was again an overall increase in the level of profit contribution from businesses acquired and developed in recent years, but the contribution from our domestic tobacco business improved only marginally and, in fact, declined in real terms against the background of a national inflation level of some 15%. The need remains for further economies and higher sales in all parts of the Group, particularly in the domestic tobacco business, which accounts for the major part of our turnover and profit.

### SUMMARY OF RESULTS 1976

Group Sales	£1,131,100,000
Profit before Tax	£41,100,000
Tax	£20,800,000
Ordinary Dividends	£1,500,000
Profit retained	£17,800,000
Net Assets	£286,400,000

### Tobacco—Domestic

Unit sales of our cigarette brands increased by some 2% in a market which was extremely competitive and which was itself virtually static. Sales of BENSON & HEDGES SPECIAL FILTER, the King Size leader, again showed a very significant increase and our SILK CUT brand continued to dominate the low tar sector of the market.

Although the pipe tobacco market declined marginally our own sales increased by 4% and our leading brands, BENSON & HEDGES MELLOW VIRGINIA and CONDORE, the market leader, both increased their market share.

Sales of British manufactured cigars declined while those of imported brands improved. This produced a small decrease in the total market but our own sales increased, again with HAMLET maintaining its strong position and BENSON & HEDGES SPECIAL PANATELLAS and SENATOR both doing well.

### Tobacco—Overseas

In the Netherlands, NIEMEYER'S ROXY DUAL FILTER continued to dominate the low tar cigarette market and, while the total market declined, NIEMEYER'S pipe and hand rolling tobaccos maintained their domestic sales levels and SAMSON is proving an increasingly popular brand in other E.E.C. markets.

The RITMEESTER cigar business had another successful year with record sales and results, and the high level of exports continues to be maintained.

In the Irish Republic, GALLAHER (DUBLIN) has to be specially commended for an excellent all-round performance during a year that produced record sales and profits.

I am particularly glad to be able to report that exports of cigarettes, cigars and tobaccos again showed an increase on the previous year, with SILK CUT King Size and International Size outstanding.

### Engineering

Overall, the performance of our engineering businesses showed a down turn on last year with no real growth in sales and a decline in profits. Demand remained depressed for the greater part of the year although at the end of 1976 some improvement in orders was evident. Our engineering companies continue to take active steps to develop their overseas markets and they now have well-established interests in Australasia, Continental Europe, Africa and North America.

### Optical

In the U.K. the higher profit level achieved by our optical companies in 1975 was maintained. In the overseas optical companies substantial progress was made and our rapid expansion in Italy continued, with 63 branches now operating. In the Netherlands improved profitability was achieved.

### Distribution

Our Cash & Carry businesses and the FORBUOYS chain of confectionery, tobacco and newsagents shops all experienced difficult trading conditions with keen competition and pressure on margins. The WARRINER & MASON Cash & Carry depots suffered severely during the first 6 months but made a good recovery towards the end of the year. The TOBACCO SALES depots in Northern Ireland, however, once more improved on their previous good results.

### SUMMARY OF ACTIVITIES

	Sales		Profit	
	1976	1975	1976	1975
Tobacco—Domestic	768,900	654,300	28,500	28,700
—Overseas	143,300	88,800	6,400	2,900
Engineering	47,200	44,100	3,800	5,700
Optical and associated activities	27,900	24,100	4,700	4,300
Distribution	143,800	121,100	2,600	2,600
	1,131,100	932,400	46,800	44,200

The FORBUOYS chain again increased their profits. They now number 387 branches, a net increase of 14 over the previous year.

### People

I must again express my sincere thanks to all our managements and staff, both at home and overseas. To them we owe our hard-won progress in 1976 and to them we must look again in the current year. It shows no sign of being any easier than its predecessor. Whilst all our people are subjected to the current vicissitudes of personal taxation, our managers in particular have suffered a quite disproportionate fall in real income and I can only hope that the vague promises made by Government spokesmen will now be backed by positive action.

There is no doubt that there is going to be a great deal of public discussion on the subject of the Bullock Report. As far as possible it will be my intention to ensure that public argument does not damage the goodwill and understanding that already exists and that has been built up over the years amongst all of us working in the Group. My colleagues and I believe that our policy of increasing the information available at all levels will lead naturally to increasing harmony and involvement. On the question of the appointment of Directors, it is my view that the most important consideration is that all members of a Board should have as their main objective the prosperity of their Company, and that they should be able to work as a team to this end.

### Outlook

The success of our Group remains very much dependent on the success of the domestic tobacco business, and at the beginning of February we announced details of our plans to invest £12m. in our U.K. tobacco factories over the next three to four years. This will ensure that we have both the competitive cost structure and the manufacturing capacity to grasp marketing opportunities at home and to build on our encouraging cigarette and tobacco sales overseas. At the same time we shall continue to support our other businesses, in particular the engineering companies which, although having had a disappointing year, could make a considerable contribution to a longer-term advance in Group profits. But our success and, indeed, the success of business as a whole in the United Kingdom is currently subject to many imponderables, not the least of which are inflation and Government controls, particularly on prices and incomes. As far as the latter are concerned we can only continue to look for some tangible signs of a real understanding of the vital need for incentives and profitability in private industry.

## FINANCIAL NEWS

فكر من العمل

## Paper and packaging save DRG but business bad elsewhere

By John Brennan Robinson

The Dickinson Group matched its forecast of sustained profits in 1976, despite a dismal first half performance.

A marked recovery in demand for DRG's paper and packaging products in this country during the first months of the year helped the group recover all the first half's 45 per cent profits shortfall.

So pre-tax profits rose slightly to £19.3m on sales a fifth higher at £382m.

Although the home market for packaging improved, trading conditions for DRG's stationery and fine paper products at home and abroad remained depressed throughout 1976.

The Australian business remedial action reduced the loss, and the Canadian and South African companies continued to suffer from local economic recessions.

Three months into the current year DRG reports that sales and profit momentum at home has been maintained, but the overseas companies continue to be a problem.

Currency exchange profits of £3.4m are created as capital items by DRG. So overseas trading profits of £6.1m against £6.8m last year reflected the true scale of the slide in profitability.

At home profits of the Royal Sovereign Group, acquired last

July for £3.7m, have been consolidated for the full year. But the impact of the additional earnings in 1976 was "not significant".

Exchange rate adjustments inflated the increased working capital requirements in the year by £4.1m. But the remaining £14.4m increase related in part to the sharp rise in home demand in the last half and the effects of incorporating Royal Sovereign into the group.

Dividends have been increased by the maximum permissible to 9.5p per share gross, 1.7 times covered by net earnings. At 11p, unchanged on the results, the shares now yield 8.3 per cent on an historic price earnings ratio of just under 11.

## Philips Lamp looks to 9pc sales volume rise

By Christopher Wilkins

Philips Lamp, the Dutch electrical concern, is anticipating further sales volume growth of about 9 per cent—similar to last year—in 1977. The group is also hoping "to achieve a further slight improvement of profitability" this year, probably exceeding its growth in sales volume.

The group's annual accounts reveal that Philips emerged from 1977 in a stronger and more liquid financial condition than when it began. Capital expenditure, which was lower for the second year running, was roughly matched by depreciation; there was a decrease in the relative level of stocks from 33 to 29 per cent of sales; and the average credit period for trade debtors was cut back to 2.1 months.

As a result the group was able to manage with less capital, borrowings declined and financing costs were lower. Liquid assets at the end of 1976 totalled 1,727m florins, compared with 1,309m florins

the year before. Net borrowings were down from 5,996m to 5,123m florins.

In the present year Philips is expecting moderate economic growth, although the rate of growth will differ from country to country. Within total expected sales volume growth of about 9 per cent, the group expects the markets for consumer goods and electronic components will show further growth, although the effect of the backlog demand will weaken.

Acquisitions of property, plant and equipment will increase somewhat, but will again be roughly covered by depreciation. Stocks are again expected to be kept in about the same relationship to sales as last year, although the credit period for trade debtors will increase slightly. Philips concludes that "financing will not call for special measures".

Last year Philips made a trading profit of 2,221m florins, up from 1,247m florins the year before. After tax the profit was 672m florins.

## Watts, Blake tops £2.5m with bigger margins

Good profits in the second half, which usually suffers from slack trading over the holiday season, has brought the Watts, Blake Bearer ball and china clay group to a peak of £2.5m for 1976.

This is a jump of 55 per cent on last year, and was achieved on turnover 25 per cent up at £14.8m. It also points to a rise in margins from 13.56 per cent to 16.9 per cent. The second half brought a 62 per cent jump in profits to £1.36m. The board notes that fluctuations in the exchange rate of sterling, increased the year's profits by £385,000. "This will be shown as a special item in the account."

On attributable profits up from £733,000 to £1.1m, the dividend is raised from 1.24p to 3.23p gross. Earnings a share are up from 10.1p to 15.83p.

At half-time, this Devon based group, in which English China Clays recently increased its stake to 19.15 per cent, pushed its profits up 47 per cent to £1.15m.

Home market volume was well maintained and exports showed a gradual upturn. Economies taken earlier—including man-power reductions—helped profits as did exports in "currencies other" than sterling.

The board has continued its development work, ready for a greater off-take over 1977 and 1978, including recruitment in departments which had become depleted. Also, the group's big capital expenditure programme is well on target. The outlook is for "reasonably good" trading for the next two years, although costs continue to rise.

SCOTTISH TELEVISION  
Advertising revenue in the early months of 1977 is well ahead of last year and shows no sign of slackening, reports chairman.

WEENES ASSOCIATES  
Turnover for year to January 23, £7.13m (£6.2m). Pre-tax profit, £249,000 (£240,000). Dividend already declared.

## Neckermann jolted by DM220m loss

One of West Germany's leading department stores groups and mail-order enterprises Neckermann Versand fared badly in 1976. It has incurred a loss of about DM220m against a net profit in 1975 of some DM4.2m, Klaus Subjatzki, its partner in Neckermann's chief house bank, Berliner Handels- und Bank, said in Frankfurt.

Subjatzki and another BHF partner, Hanns Christian Schroeder-Hohenwarth, added that the losses can be met by releasing about DM80m of reserves, but cutting the share capital to DM34m from DM122m and by the banks renouncing DM50m of credit claims.

They said that the banking consortium, which worked on restoring Neckermann to a healthier financial footing, is ready to renounce DM180m of claims between 1976 and 1980, of which about DM50m was the first portion.

In November BHF announced that Karstadt AG, Europe's largest retailer, would take a majority holding in Neckermann. Karstadt's first step will be to take a 24.9 per cent stake once Neckermann's legal structure is converted into a limited share company (AG) from its KGAA basis (shareholders plus general partners).—Reuter.

Merrill Lynch, which reported lower 1977 first-quarter results, said many securities markets declined sharply in the quarter compared with stronger markets a year ago. Prices and activity in virtually all fixed-income markets dropped during the quarter. As a result, revenues from commissions and principal transactions declined. Investment banking revenues were also down.—Reuter.

Westinghouse ahead  
Westinghouse Electric Corporation reports first quarter earnings a share of 61 against 54 cents. Net profit climbed from \$47.2m to \$53.2m. Sales were \$1,420m compared with \$1,440m. The profit includes the effect

## International

of the settlement of its uranium contract lawsuit with Duquesne Light Co, Ohio Edison Co and Pennsylvania Power. As previously announced, Westinghouse agreed in March to pay the three utilities \$5m in cash within 30 days and provide equipment and services over a period. The net cost of the settlement, based on present values, is expected to be about \$6m.—Reuter.

Thomson-CSF  
Thomson-CSF, the electronics arm of the Thomson-Brandt group, turns in net profits for 1976 of \$1.32m francs, up from \$0.42m. The company is to increase its dividend to 6.70 francs per share from 6.30 francs. Turnover for the year stood at 7,800m francs compared with 5,300m. The 1976 total includes 1,713m francs from Le Matériel Téléphonique, of which Thomson-CSF took control during the year.

L'Oreal in publishing  
L'Oreal SA, said in Paris it has taken a 40 per cent stake in the Marie-Claire Album SA magazine publisher. But it gave no financial details. The Prouvost family will retain a majority holding in Marie-Claire Album, which publishes four women's magazines. L'Oreal said it is also considering taking a 40 per cent stake in the capital of Interdell SA which publishes Cosmopolitan magazine.—Reuter.

News Ltd jumps  
News Ltd reports from Adelaide an operating profit of \$A3.54m against \$A6.98m for the half-year to December 31. This was on revenue of \$A81.74m against \$A74.26m. Profit is after tax of \$A3.55m (\$A3.03m), but before an extraordinary loss of \$A186,000 against a profit of \$A1.17m. The interim dividend is up from \$ to 5.75 cents.—Reuter.

## GUS reveals near 10pc stake in Freemans

In advance of new disclosure rules which come into force on April 18, Great Universal Stores says that it has a stake of 9.96 per cent in Freemans (London, SW9)—another big mail-order house. GUS says that it has held the stake for a number of years and the holding is regarded as an investment.

Shareholdings has over 20.3 per cent of Freemans' equity. However, the Freemans board and family is thought to control about 25 per cent, so with the backing of GUS, a "good" price would have to be paid by a bidder.

Dowding confident  
With sales rising 24.5 per cent to £4.5m, pre-tax profits of Dowding & Mills advanced 20 per cent to £716,000 for the 12 months to December 31. Kenneth Sharp, chairman of this electrical and mechanical repair engineers, forecasts a "total" well in excess of the £1.05m brought in over 1975-76. The dividend is raised from 0.65p to 0.75p gross.

Dreamland over worst  
A return to profits in the second half leaves Dreamland Electrical Appliances with a pre-tax profit for 1976 of £54,000—a fall of 50.6 per cent. Turnover dipped 3 per cent to £5.2m, reflecting heavy de-stocking over the year—mainly of electric blankets. The gross dividend is raised from 3.18p to 3.5p gross. Meanwhile, the year has started with "dramatic" rise in orders, and much increased profits forecast full-time.

Scottish Provident  
Net new investment in fixed-interest securities in 1976 by Scottish Provident Institution totalled £25m, writes Mr M. D. Penland, chairman. Of this some £7m was invested late in the year ahead of the sharp rally in gilt-edged. About £5m

was put into United Kingdom ordinary shares. Meanwhile the board's confidence on the results of the triennial valuation at end-1977.

John I. Jacobs' hint  
A hint at a possible capital reduction is given by Mr J. H. Jacobs, chairman of John I. Jacobs, shipbrokers. Having left ship management for the time being, Jacobs is now almost entirely a broking company, without the requirement for large sums of capital.

I. J. Dewhurst at peak  
On turnover up from £7.5m to £9m, pre-tax profits of I. J. Dewhurst Holdings, makers and wholesalers of clothing, are a record £914,000 for the year to January 14. This compares with £686,000. The board proposes a scrip of one-for-three as well as a dividend up from 2.94p to 3.23p gross. Earnings a share are 7.73p against 5.77p. Sales this year are up, though pressure on margins continues.

E. Fogarty tops £1m  
Turnover of E. Fogarty in 1976 rose from £11.8m to £15.02m and pre-tax profits increased from £856,000 to £1.25m. The total gross payment is up from 5.65p to 6.25p. Mr C. B. Fleet, the chairman, reports that provided Fogarty has reasonable conditions, the board is confident on prospects. The group makes pillows, continental quilts, etc.

Henry Boot steady  
As predicted at half-way, pre-tax profits of Henry Boot & Sons for 1976 were virtually unchanged at £2.25m, against £2.54m. Turnover rose by 20.96 per cent to £57.01m. The total gross dividend is up from 11.53p to 12.66p. In spite of depressing national trading, the board expects to maintain the group's overall level of profitability this year.



Mr F. V. Waller, chairman of Adwest.

## Adwest good start takes on pace

By Ashley Drake

A strong grip on loss-maker Sealed Motor Construction put Adwest some 31 per cent ahead in 1975-76. The strength of the improvement in this automotive, electrical engineering and agricultural machinery group is shown more forcibly in the first-half to December 31, with a 50 per cent upsurge to £1.75m pre-tax. This is after lower interest charges of £91,000 against £219,000. It pays an interim dividend from 3.58p gross to 3.85p and expects to pay a final at the maximum rate permitted.

For the rest of the year to end-June, the board says that order books are good. Further, the general business prospects in the areas in which Adwest operates appear to be improving slowly. Reinforcing this, the company's finances remain strong with a good credit balance, says Mr F. V. Waller, chairman. A final profit topping last year's £4.22m best-ever, is forecast.

Adwest got off to a good start with the chairman reporting in November that sales were already 20 per cent ahead of the same period. SMC continued to make a profit

## CH Johnson agrees 60p a share

An offer for the minority stake in C. H. Johnson & Sons—at almost double the recent market price—has been agreed by the parent, J W I Ltd of Canada.

W I, which owns 67 1/2 per cent of the capital, is to make an offer of 60p cash per share for the 550,000 shares still held. Johnson's shares closed in London on Tuesday at 32p. The total value of the offer is £330,000.

In 1976, Johnson's turnover rose from £2.95m to £3.68m. Pre-tax profits were up from £232,000 to £360,000.

LONDON & PROVINCIAL  
Turnover for 1976 of London & Provincial rose from £9.91m to £9.98m and pre-tax profit from £345,000 to £1.01m. Total gross payment, 13.35p (12.13p). Group continues to trade profitably and orders for first half shown encouraging trend.

FARM FEED HOLDINGS  
Turnover for year to January 31, £7.47m (£4.51m). Pre-tax profit, £161,000 (£269,000). Total gross payment held at 5.5p.

GA-ARTHUR BELL  
Our report yesterday that the Genachy Trust had sold part of its stake in Arthur Bell stated incorrectly that 500,000 shares had been bought by Legal & General Assurance Society. In fact these shares were bought by General Accident.

## Briefly

LOAN FOR TEXAS  
Export Credits Guarantee Department has guaranteed £2m loan, arranged by Lloyds Bank International, under the terms of Lloyds Bank, to Corpus Christi Petrochemical of Texas.

LAZARD PROPERTY  
Lazard Property Trust has received a record subscription of £9m from its twentieth issue which closed on March 28. The trust, which now has a value of over £78m, will be seeking further first-class properties for its portfolio.

S. JEROME & SONS  
Turnover of S. Jerome & Sons (Holdings) for 1976, at £6.01m (£5.35m). Pre-tax profit up from £422,000 to £510,000. Total gross dividend up from 4.2p (adjusted) to 4.63p. One-for-one scrip proposed.

GALLAHUE  
Group's success remains dependent on success of domestic tobacco business, writes chairman. In quarterly accounts, auditors state that company has been named as a co-defendant in two civil anti-trust actions.

YULE CATTO  
Current year's profits are likely to show further rise, and chairman confident of healthy cashflow during the year.

GUTHRIE MID LOSS  
Group net 1976 loss of \$ (Singapore) 6.25m, against £1.5m, against profit of \$3.8m on turnover down from \$285.1m to \$225.1m. Dividend cut from 16 to 1 cent.—Reuter.

FYE OUTLOOK  
Increased order intake in second half "encouraging", says chairman. Long-term outlook will be much influenced by restructuring proposals.

CHANNEL ISLANDS TRUST  
Channel Islands & International Investment Trust 1976 dividend from 11p to 12.5p. Pre-tax revenue fell from £157,000 to £129,000.

GENERAL FOODS ISSUE  
General Foods, Canadian food processor, is to raise \$C20m in the Eurobond market, through the issue of 20,000 notes, 1984. Coupon likely to be 8 1/2 per cent.

BP NUTRITION  
BP Nutrition (UK) is to buy controlling interest in Broughton Enterprises.

HUTCHINSON INTERNATIONAL  
Hongkong-Hutchinson International has bought a 30 per cent stake in B. B. Fischer, a Philippine trading company mainly selling industrial machinery and equipment.—Reuter.

HORACE CORY  
Pre-tax profit for 1976 increased to £440,000 from £226,000. Total gross dividend up from 0.86p (adjusted) to 0.91p.

## ANGLO-AMERICAN SECURITIES CORPORATION LTD



TOTAL ASSETS (less current liabilities) £77,600,000

Copies of the Annual Report and Accounts are available from the Company's Office, Bucklersbury House, 30 Victoria Street, London EC4N 6BQ.

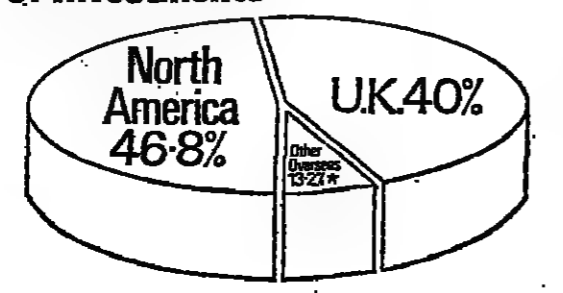
## Results 1976-1977

Year Ended 15th January	Net Asset Value (pence per share)	Dividend (pence per share)
1977	121.5	2.64
1976	122.5	2.35
change	-0.8%	+12.3%
FT Actuaries All Share Index	-7.9%	+12.4%

## 10 Year Record

change	+115.0%	+103.0%
FT Actuaries All Share Index	+62.5%	+79.2%

## Geographical Distribution of Investments



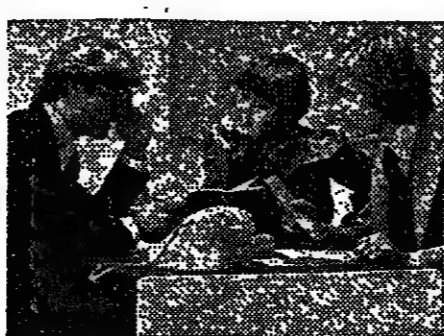
★ Japan 8.3%—Australia 4.3%—Hong Kong 2.3%—Europe 0.3%

Kate saves with the biggest building society in the world because she gets more than just maximum security.

Care.

Confidence.

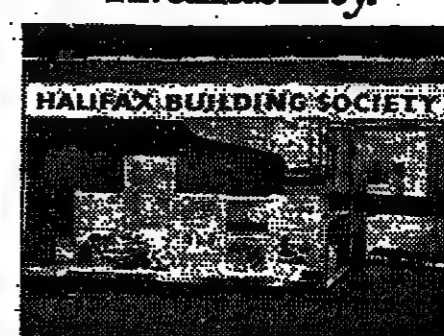
Availability.



Call in any Halifax office for a friendly chat about the right savings scheme for you.



You can relax knowing that your money is always earning good interest.



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**HALIFAX**

Get to know the security of the biggest building society in the world.

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**§ Forward bargains are permitted on two previous days**

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